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East Asia

FBIS-EAS-96-165
Friday
23 August 1996

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Daily Report
East Asia

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ASEAN Agrees on Procedure To Settle Economic Disputes

BK2308075196 Bangkok BANGKOK POST (BUSINESS Supplement) in English 23 Aug 96 p 2

[Report by Chatrudi Thepharat]

[FBIS Transcribed Text] In a move that would take the group a step away from its cherished principle of friendly consensus, ASEAN is on the verge of accepting a new, legal approach to settle economic disputes.

Senior officials have completed a draft Protocol on Dispute Settlement which is scheduled to be signed by ASEAN economic ministers at their annual meeting on September 11-12 in Jakarta.

The ministers ordered the draft when they met last year in Brunei.

The order amounted to a recognition of the fact that closer economic cooperation, for example under the ASEAN Free Trade Area [ATFA], could also lead to conflict.

One case Thai officials have cited as an issue requiring proper dispute settlement procedures is Indonesia's desire to withdraw 15 agricultural products from a free-trade list agreed to under its original AFTA commitments.

ASEAN ministers have tried to settle the dispute through traditional consultation methods, but without a formal dispute settlement mechanism in place the final outcome remains uncertain.

The draft protocol is modelled on the new dispute arbitration process of the World Trade Organisation (WTO), but includes a shorter and less complicated decision-making process.

The principal decision-making body would be a meeting of senior economic officials, with the possibility of setting up a panel of experts to look closely at the details of an issue. Appeals could be lodged with the ASEAN economic ministers.

The proposed steps follow the WTO process, starting with a maximum of 60 days of consultations. If the dispute remained unsettled, officials would then have 30 days to appoint a panel which would have to make a ruling within 60 days.

An appeal could be lodged after a further 30 days, and ASEAN economic ministers would have to rule after 30 days more.

In total, ASEAN's proposed process would take at most 240 days including an appeal.

In contrast, the WTO's dispute settlement procedure can take over a year if appeals are heard, and up to a year longer if the dispute panel decides to suspend hearings. Panels normally have six months to reach a conclusion, in some circumstances extendable to nine months.

But the WTO process can be completed considerably faster if perishable goods are involved.

Under the ASEAN draft, senior officials, excluding the representatives of the countries involved in the dispute, would decide by consensus whether to accept the panel's report. Under the WTO, the panel's findings are automatically accepted unless all WTO members unanimously reject them.

At the appeal stage, consensus would be required among economic ministers from all ASEAN countries.

Once a ruling has been made, the parties concerned must implement the final decision within 30 days.

If they could not reach agreement on compensation, any party could ask ASEAN economic ministers to approve retaliation — the suspension of concessions or other obligations normally granted to the other side.

Japan

Japan: Insurance Industry Head Calls U.S. Demand 'Unreasonable'

OW2208111396 Tokyo KYODO in English 1001 GMT 22 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 22 KYODO — The head of Japan's life insurance industry has rapped the United States for pushing an "unreasonable demand" that planned casualty insurance subsidiaries of life insurers be barred from selling policies to provide coverage against injuries.

Kenjiro Hata, chairman of the life insurance association of Japan, said in a recent interview with KYODO news, "I really want the Finance Ministry to avoid easy compromises."

Three weeks ago, Japan-U.S. trade talks over deregulation of the Japanese insurance industry and its impact on foreign insurers operating in Japan broke up without agreement in Vancouver, Canada.

The fray has revolved around a clause in the newly amended life insurance law that allows the subsidiaries of life and nonlife insurance companies to enter each other's turf through subsidiaries.

The subsidiaries are supposed to sell so-called "third-sector" products such as insurance against cancer, nursing care, injuries and accidents. They fall into a gray zone between the primary life and nonlife insurance sectors that sell policies such as automobile insurance or life insurance.

With the deadlock still overshadowing the two nations' trade ties, Japan's major life insurers have asked the ministry to give their subsidiaries official licenses to sell policies against injuries and other personal calamities that traditionally have been covered by nonlife insurers.

"Even if we wait for the row to be resolved, the solution will not come in time for the planned start in October of operations of our subsidiaries," said Hata, also president of Meiji Mutual Life Insurance Co.

He said the ministry is expected to grant the licenses later this month but "may tell us to wait before having the subsidiaries sell injury insurance policies."

Asked what would happen if the ministry accepts the U.S. demand to bar the subsidiaries from selling injury insurance, Hata said, "it would deal a heavy blow to our subsidiaries as (Japan's) nonlife insurers depend on injury insurance policy sales for one-third of their overall revenues."

As for changes that may follow if the ministry completely lifts curbs on the planned mutual entry into each other's turf by life and nonlife insurers through subsidiaries, he said, "the biggest change will be that a single company will become capable of offering a wide range of insurance products for calamities that may strike both people and their property."

He went on to say,"we would be able to provide coverage against all risks (that accompany people's lives), while salespersons will be required to have considerable knowledge about (such a wide variety of) products and fund management."

"We would have to make greater efforts to develop new products that would charge less premiums, while providing lower amounts of dividends than those offered by conventional policies," he said.

Asked about the possibility of some insurers going bankrupt amid the tougher business environment, he said, "we really had a hard time in the spring of 1995, when we suffered a double blow stemming from slumping stock prices and low interest rates."

"But bankruptcies are unlikely to happen if current stock-price and interest-rate levels continue" he said.

"Nevertheless, I would not be surprised even if some life insurers merge for the purpose of strengthening their business operations."

Japan: MOF, Industry Rift Develops on Insurance Talks

OW2308094596 Tokyo EKONOMISUTO in Japanese 27 Aug 96 pp 53-54

[Article by "A": "A Big Rift Arose Between the Ministry of Finance and the Insurance Industry Due to Japan-U.S. Confrontation Over the Third Sector"]

[FBIS Translated Text] The insurance talks pending between Japan and the United States were not settled by the end of July, the deadline set by the heads of the two countries, and they decided on renegotiations. The Japanese Government could not raze the U.S. Government's stubborn attitude of protecting U.S. insurance companies' interests concerning the "third sector," such as accident insurance and cancer insurance that are expected to grow into key merchandise with the progress of the aging society.

What is noteworthy looking back on the details of a series of negotiations is the faintheartedness of the Ministry of Finance [MOF] that took charge of the negotiations. The reason is that although the MOF insisted that the U.S. Government's demands were unreasonable, it had allowed the U.S. side to take the initiative all along.

Confrontation Caused by a Difference of Interpretation of the October 1994 Agreement

In April this year, the Insurance Business Law, which was amended for the first time in about 50 years, was enforced. The key point of the amendment is that it makes it possible for life and nonlife insurance companies to mutually enter each other's business turf through the subsidiary system. In short, a "saleslady" of Nippon Life Insurance Co. will be able to sell fire insurance or automobile insurance products. On the other hand, one will be able to conclude a life insurance contract at an agent of the Tokyo Marine and Fire Insurance Co., Ltd. Seventeen life and nonlife insurance companies established subsidiaries, and these subsidiaries were scheduled to enter each other's business turf in October. Insurance industry sources expected that "the insurance industry will at last greet a competitive age due to liberalization."

However, late last year, the U.S. Government called for a "suspension" of the schedule of such a liberalization plan, making the talks complicated. U.S. insurance companies in Japan depend on accident insurance or cancer insurance for the greater part of their revenue. The U.S. Government feared that the existence of U.S. insurance companies would be threatened if entrants based on the mutual market entry system, life insurance companies, in particular, came to sell accident insurance products through a powerful sales network, with "insurance salesladies" as the driving force. With such a situation as a backdrop, the U.S. Government proposed that "deregulation of life and nonlife insurance is necessary before the opening of the 'third sector.'" Thus, the current conferences were started.

At a news conference held on 2 August following the rupture of the negotiations, MOF Minister Wataru Kubo declared that the root of this problem is a difference of interpretation of the 1994 agreement. As Finance Minister Kubo says, the problem is the October 1994 agreement reached by the insurance sector of the U.S.-Japan Framework Talks on Bilateral Trade, which was held recently.

There is a clause in the agreement that refers to new business entry. To put it simply, the Japanese side interpreted the clause that "it is against the provisions for life and nonlife parent insurance companies to newly enter the third sector, but that it is all right for their subsidiaries to do so"; but the U.S. side interpreted the clause that "it is against the provisions for both parent life insurance companies and their subsidiaries to enter accident insurance business." Thus, there is a confrontation between Japan and the United States in their respective claim.

Looking back on the details of a series of negotiations held before those at Vancouver, Canada, where the negotiations were resumed following the breakdown, "Japan made concessions, but the United States rebuffed them, taking advantage of Japan's helpless condition," according to a senior official of a major life insurance company. The same pattern was repeated. First of all, at a conference held in April in Los Angeles, USA, between Eisuke Sakakibara, director general of the MOS's International Finance Bureau, and Ira Shapiro, the U.S. negotiating team leader of the Office of the U.S. Trade Representative, Japan made the following concessions: 1) Japan approves mail-order sales of automobile insurance that have not been approved so far; 2) Concerning automobile and fire insurance, sales of these products will be granted to those businesses that have withdrawn from the "rating bureau" that is used to set premium rates.

In mid-June, Japan proposed a plan in which sales of accident insurance products by the nonlife subsidiaries of parent life insurance companies will be frozen for three months, although their business operations are scheduled to be begun in October. Furthermore, at the Vancouver conference held immediately before the 31 July deadline, Japan showed its intention to accept the U.S. demand that "Japan should approve mail-order sales of automobile insurance products and that premiums in this case should be decided freely." According to a person concerned with the insurance industry, this is a "surprising demand that shakes the basis of Japan's insurance system."

Accident Insurance Business Cannot Be Turned Over

The United States maintained a firm attitude to the last despite Japan's such concessions. Behind this lies the fact that Chairman M.R. Greenberg of American International Group Inc. [AIG] is an influential supporter of the Clinton administration. The Clinton administration, facing a presidential election this fall, tried to gain support for the administration by assuming a pose of shaking its fist at one who hampers AIG's interest. It can be said that this is one aspect of the current negotiations.

Japan's nonlife insurance industry earned 10.5 trillion yen in 1995. Of the amount, 2.9 trillion yen was earned by the accident insurance sector, accounting for 27 percent of the total. However, as far as foreign insurance companies are concerned, 44 percent of their revenue obtained from nonlife insurance contract premiums is earned by the accident insurance sector. This shows that accident insurance is really a "strategic product." AIG is symbolic of this characteristic. AIG, in cooperation with Daido Mutual Life Insurance Co., Japan's medium-sized life insurance company, has produced achievements through a sales network directed at small-to-medium-sized enterprises, or through sales of overseas travel accident insurance at travel agents and others.

Then, the U.S. Government absolutely could not turn over the third sector — accident insurance sales by the nonlife insurance subsidiaries of life insurance companies. However, according to a senior official of a major nonlife insurance company, Japan's negotiation stance was: "Japan tried to obtain concessions from the United States in the accident insurance field in exchange for expanded deregulation of nonlife insurance, such as approval of mail-order sales." The same official said, "It is natural that the talks should not go smoothly because of the attitudes shown by the United States and Japan respectively." The insurance industry also was half dumb-founded.

Deep-Seated Distrust of the MOF

When the negotiations broke down, the Japanese and U.S. Governments agreed that "both sides have the right to withdraw their respective proposals." This means that at the next negotiations, the Japanese side can "nullify" its previous concessionary plans. An official in charge of a major nonlife insurance company's life insurance sector says, "It is natural to think that what was once proposed is taken as a "accomplished fact." As he says, the atmosphere surrounding the Japanese negotiators is icy.

Through the current negotiations, not only was the MOF's negotiation ability doubted by various quarters, but a big rift was produced between the MOF and the insurance industry supervised by it. Since the resumption of the talks that should have been concluded in 1994, "the MOF has refused to admit the existence of negotiations till this spring," according to an officer in charge of planning in a major life insurance company. Looking askance at the MOF making new proposals one after another in April, June, and July, the insurance industry was deepening its sense of crisis: "The MOF is repeating important concessions without the industry's knowledge," according to a senior official of a major nonlife insurance company.

Especially, damage to the nonlife insurance industry is great. Concerning the MOF's "concessions" at the last talks in Vancouver, the same official opposed vehemently by saying, "It is possible that the sales system through agents that has been established so far by each nonlife insurance company will collapse."

For, according to Takeo Iguchi, chairman of Marine & Fire Insurance Association of Japan, Incorporated, if anyone can conclude an automobile insurance contract through mail-order sales, everyone will utilize such sales, "jeopardizing the management foundation of about 450,000 agents existing all over the country."

It is impossible for the nonlife insurance industry to accept measures that collapse the current system at a stroke even if deregulation is the current of the times, and "deep-seated distrust of the MOF is being bred," according to an official in charge of planning in a major nonlife insurance company.

"The MOF does not speak for the insurance industry," according to a senior official of a major life insurance company. Behind such a situation is the MOF's International Finance Bureau headed by Director General Eisuke Sakakibara, which comes to the fore as a negotiator. There are many people concerned who point out the existence of a "perception gap" between the International Finance Bureau and the Banking Bureau's Insurance Department that has daily contacts with the insurance industry. The same official says that "the attitude of the International Finance Bureau is "in the beginning was the settlement" and that the bureau's way of doing things is illogical. How will the MOF face the future negotiations? Now a question is being asked on the worth of the MOF as the supervisory agency of the insurance industry.

Japan: Business Leader Comments on U.S. Trade Negotiations

OW2308105396 Tokyo SANKEI SHIMBUN in Japanese 19 Aug 96 Morning Edition p 4

[Article by Yotaro Kobayashi, chairman of Fuji Xerox Company, Ltd., from the "Seiron" column: "The Japan-U.S. Business Conference Undergoing Changes"]

[FBIS Translated Text]**Praiseworthy Semiconductor Negotiation**

Japan and the United States reached a final agreement on the semiconductor trade. Generally speaking, many held the view that Japan had from the beginning held out the principle that government intervention in market matters is unnecessary and that the United States had no other choice but to finally agree to it, and I agree 100 percent with that view. The recent outcome would have a significant meaning not only to the United States but also to other nations of the world. Through an accumulation of such accomplishments, it is hoped that an understanding will spread and settle that Japan is a nation that respects principles and rules without succumbing to intimidation and unjustifiable external pressure.

This, of course, does apply to all, not just to the United States. It is not easy for one to demand that its counterpart adhere to principles and to keep true to its honor by brushing various domestic pressures aside. Japan will hear such criticism inevitably that "Japan shuts its eyes to its past deeds" and that "fighting the windmill is unproductive when dealing with counterparts." The only way to counter them is practical actions and actual records of accomplishment. Japan can win support without fail if it insists on the principle of listening to both domestic and foreign opinion in a modest and careful manner.

Now, let me comment on a little story from the 33d Japan-U.S. Business Conference which was held in Tokyo for three days, on 8, 9, and 10 July. With "The Future Road Japan and the United States Are To Take" as its theme, about 100 businessmen and their staff from both countries were divided into three subcommittees of information, manufacturing, and services, and they discussed seriously such common subjects as Asian problems, competition policies, business practices, market access, and industrial cooperation. For several years in the past, the Japan-U.S. Business Conference was characterized by discussions and speeches focusing on the ways to solve immediate bilateral problems in a stiff atmosphere, with intergovernment negotiations on several sectors in the background, represented by mammoth trade imbalances with no signs of improvement, and the automobile industry.

Forward-Looking, Friendly Changes Are Seen

Certainly there existed a situation that seemingly repeated the intergovernment negotiations in which the U.S. side criticized the strong keiretsu bondage of the Japanese auto industry and the closed nature of its automobile dealers, while the Japanese side pointed to the U.S. perennial lack of effort and the both sides alternately complained about the counterpart's faults in the insurance and semiconductor industries.

At the end of June last summer, immediately before the Tucson Conference, the impasse in the automobile negotiations was settled and the atmosphere between the Tucson conference and the San Francisco joint management committee conspicuously changed to a forward-looking and friendly one, with a fixed trend in the background that the Japanese surplus with the United States has steadily decreased. In pursuance of such a trend, it is natural that the recent Tokyo Conference allotted quite a bit of time to the discussion of Asian problems and competition policies for the benefit of the future. An earlier agreement had been reached between the two conference organizers that the four individual sectors at issue between the two governments, topped by semiconductors and insurance, would not be taken up at this conference.

But Japan's press coverage immediately before the conference started with a headline "Semiconductors, Insurance, Etc. To Be Discussed," and on the first day of the conference, newspapers headlined "U.S. Ambassador Discontented With Japanese Market," "U.S. Apprehensive of Cheap Yen Trend," and even "U.S. Lands Lead-Off Punches With Japan One-Sidedly on the Defensive. Perceiving how the conference went on only through newspaper reports amounts to something like this: "Mr. Kobayashi, it looks like a very tough conference, is it not?"

As a matter of fact, the lead-off speaker, Walter F. Mondale, U.S. ambassador to Japan, in an unusually high-pitched voice, complained about the Japanese Government's slow reaction in the four sectors, and in a greeting address Donald Fites, U.S.-side chairman of the conference, pointed out, "Because of successful achievements in the macro as well as microeconomy, the feeling of this conference has changed from a series of disappointments to big expectation." "But the recent cheap yen trend raises the danger that would spoil the achievements that have been attained through great pains." These remarks were the basis of the reporting. It was limited to part of the media, however, that reported on the change of the conference that had positively dealt with the agenda for the benefit of the future. No change was noticeable in the basic tone of the reporting that the United States was on the offensive with Japan eluding, the United States was dissatisfied, and finally both sides reaffirmed the difference of the consciousness.

Make Accurate Reports on the Whole Scene

"Good news may be no news." But the atmosphere of the Japan-U.S. Business Conference has changed and is going to make further changes. With such a simple diagram that one side is on the offensive and the other side on the defensive, relations and discussions among Japanese and U.S. businessmen that have been undergoing changes can no longer be explained.

As long as we, the sponsors, hope that reports will be made more accurately, we have a lot to reconsider, such as the situation in which only part of the contents of meetings is made public to the media, and the method and content of briefings.

The public opinion to which we have to listen to in a "modest and careful manner," mentioned earlier in connection with semiconductor problems, is naturally affected a great deal by reports from time to time. Especially in making reports on conferences where a very limited number of businessmen participate — like the current Japan-U.S. Business Conference — we look forward to an important role of "accurately communicating the whole image that is making change," irrespective of the conventional pattern of reporting, and we the sponsors intend to make ourselves available in a more transparent form to outside people.

Japan: Locals Refuse DA Chief's Request on Relocating U.S. Drills

OW2308080396 Tokyo KYODO in English
0718 GMT 23 Aug 96

[FBIS Transcribed Text] Oita, Japan, Aug. 23 KYODO — Defense Agency [DA] chief Hideo Usui on Friday failed to persuade community leaders in Oita Prefecture to cooperate with a plan to use a local firing range as one of five sites to which U.S. artillery drills would be moved from Okinawa.

Usui met the heads of the towns of Yufuin and Era, where the Ground Self-Defense Force (GSDF) Hijudai Firing Range is located, to urge them to accept the U.S. drills, but they opposed the move.

After the meeting, Takaya Sato, head of the town of Yufuin, said usui had asked him to help lighten the burden now imposed on Okinawans. Sato replied, "We are not unaware of Okinawans' troubles because our people had similar experiences to the people of Okinawa when our town was taken over by the U.S. military."

However, Sato added, "Yufuin has so far cooperated with the GSDF over its exercises, but we cannot bear additional burdens."

Usui later met Oita Gov. Morihiko Hiramatsu, who also rejected his request for cooperation, saying, "I could not accept the relocation (of the firing drills) because I can understand the feelings of local people who don't want further burdens imposed on them," according to prefectural government officials.

Japan and the United States have agreed to move live-fire artillery drills from Camp Hansen in Japan's southernmost prefecture of Okinawa, to five GSDF facilities elsewhere in the country.

As well as the Oita site, the four other sites being considered are the GSDF Kitafuji Firing Range in Yamanashi Prefecture, the Higashifuji Range in Shizuoka Prefecture, the Ojojihara Range in Miyagi Prefecture and the Yausubetsu Range in Hokkaido Prefecture.

In an effort to find alternative sites for the U.S. drills, Usui has already visited Yamanashi, Shizuoka and Miyagi Prefectures and will visit Hokkaido Prefecture next Monday [26 August].

Japan: Defense Chief Rules Out Moving Live-Fire Drills to U.S.

OW2308061396 Tokyo YOMIURI SHIMBUN
in Japanese 22 Aug 96 Morning Edition p 3

[FBIS Translated Text] At the House of Representatives Cabinet Committee on 21 August, Defense Agency Director General Hideo Usui revealed that, in regard to the relocation and dispersal of the U.S. Forces' live-fire drills across Prefectural Highway 104 in Okinawa to drill sites in mainland Japan, the Defense Agency has no intention of discussing with the U.S. Government whether the drills should be transferred to the United States' mainland, saying: "We have never discussed it with the U.S. Government, and we have no plan to discuss it." In answer to a question on whether the relocation planned from the next fiscal year would be put into action when municipalities around the potential relocation sites are protesting against it, Usui said: "From now on, the Defense Agency will make the utmost efforts so that the concerned municipalities understand the need for relocation."

Japan: Kin Town Adopts Resolution Protesting Sobe Relocation

OW2308103296 Naha RYUKYU SHIMPO
in Japanese 22 Aug 96 Evening Edition p 7

[FBIS Translated Text] Kin — The Kin Town Assembly (chairman, Zenkichi Teruya) held an emergency session on the morning of 22 August and unanimously adopted a statement, resolution, and petition protesting "the relocation of the Ginbaru Training Area to Blue Beach, and of the Sobe Communications Site (the Elephant Cage) to Camp Hansen."

The Assembly emphasized in its statement that it has adopted statements in the past requesting the early return of Blue Beach and other sites and protesting the relocation of the Elephant Cage. It voices strong criticism, saying: "(This accord between the Japanese and U.S. Governments) intends to reinforce base functions, and to maintain the permanent presence of the bases, imposing severe burdens and sacrifices on the townspeople."

On the same day, all the town assemblymen will visit the Naha Defense Facility Administration Bureau, the U.S. Consulate General Okinawa, the prefectural office and other offices, and will hand over copies of the statement and other documents to request the retraction of the relocation accord.

The Japanese and U.S. Governments reached an accord by 9 August to relocate helipads in the Ginbaru Training

Area to Blue Beach, and the Elephant Cage to the Ostrich Area (in Kin Town) in Camp Hansen.

Japan: Kin Town Assembly Opposes Base Relocation

OW2308103396 Naha OKINAWA TIMES in Japanese 23 Aug 96 Morning Edition p 3

[FBIS Translated Text] In regard to the accord between the Japanese and U.S. Governments to relocate the Ginbaru Training Area to the Kin Blue Beach Training Area, and the Sobe Communications Site in Yomitan Village to Camp Hansen (Ostrich Area), eight representatives of the Kin Town Assembly, including Chairman Zenkichi Teruya, visited the prefectural office on 22 August, and asked Masaaki Aguni, head of governor's office, that the prefectural government pressure the national government to alter the accord between the Japanese and U.S. Governments. At the morning emergency session on the same day, the assembly adopted a statement and other resolutions protesting the relocation. It has also made the same request to the Naha Defense Facility Administration Bureau, and other offices.

Teruya, during his visit to the Prefectural Office sought action by the prefectural government, saying: "We have petitioned the concerned offices that no more reinforcement of base functions can be accepted, but our view has been ignored. If the relocation takes place, the situation will worsen. This will lead to the permanent presence of the bases, trampling on the townspeople's dream."

Aguni said: "I fully understand your sentiments, but the prefectural government has set up a consultative body with the national government regarding the accord reached in the interim report of SACO [Special Action Committee on Okinawa]. The national government should talk to the municipalities, and then if necessary, the prefectural government will step in. After that, we would like to consider it from a broad perspective, including issues affecting the entire prefecture."

Japan: Governor Ota's Statement at 10 Jul Supreme Court

OW2308081496 (Internet) Okinawa Prefecture WWW in English 23 Aug 96

[FBIS Transcribed Text] On July 10, Okinawa Governor Masahide Ota made a statement on the lawsuit over his refusal to sign the document for the forced usage of property by the U.S. military in front of the grand bench of the Supreme Court.

Summary of the Appellant's Statement July 10, 1996

I am Masahide Ota, Governor of Okinawa Prefecture.

I sincerely appreciate being given this opportunity to make a statement in front of the grand bench of the Supreme Court.

First, I would like to talk about the broad background that led to my refusal to sign the document for compulsory acquisition of land for the use of U.S. military bases, and the reason that I have brought the case to the Supreme Court.

The people of Okinawa have a strong desire for peace. We hope for peace not only because the lives of about one-third of the Okinawan people were lost in the Battle of Okinawa at the last stage of the Pacific War, but also because the cultural assets we inherited from our ancestors were demolished, and the greenery of the island was destroyed in the war.

Okinawa was an independent Ryukyu Kingdom until it was annexed by Japan in 1879. The Ryukyu Kingdom was known to foreign countries as an "island of courtesy," and as a land without weapons.

King Sho Shin ruled from the fifteenth to the sixteenth centuries and prohibited the ownership of weapons. He was also determined to preserve peace throughout the tiny Kingdom by maintaining friendly relations with foreign countries, which was the basic principle of the Kingdom.

Moreover, because the Satsuma clan, which invaded and brought the Ryukyus under its control in 1609, strictly prohibited the ownership of weapons in order to prevent the people from revolting, the people of the island came to be proudly known as "peace-loving people".

William Lebra, a scholar at the University of Hawaii, wrote in his book Okinawan Religion that Okinawan culture historically shows a basic dissimilitude from the Japanese culture. He explained that while the Okinawan culture is characterized by an absence of militarism, the Japanese culture is influenced by a warrior culture (bushi-no-bunka). Another scholar also describes the Okinawan culture as "women's culture," or "culture of generosity".

Mr. Zenchu Nakahara, known for his research on Okinawa, studied Omorososhi, the oldest collection of Okinawan songs, which contains 1554 songs from the twelfth to the seventeenth centuries. He found in the songs no words that meant massacre and concluded that the people of Okinawa had no concept of it.

Military bases exist in our prefecture, whose residents have traditionally abhorred armed conflicts. These bases have been used for the forward deployment of U.S. troops during the Korean, Vietnam, and Gulf Wars, forcing the people of Okinawa against their will to be oppressors who kill and injure people in foreign countries. Okinawans deeply deplore this fact.

Military bases are heavily concentrated in Okinawa. As a famous American journalist once said, "It is not so much that there are military bases in Okinawa as it is that Okinawa is on a military base." Although Okinawa comprises only 0.6 percent of the total Japanese land area, it hosts about 75 percent of the facilities exclusively used by the U.S. Forces in Japan.

The U.S. military bases occupy about 11 percent of the total prefectural land area, and the bases take up 20 percent of the main island of Okinawa. The bases are concentrated in Okinawa Island's southern and central parts which are the most densely populated areas in Japan with 2,198 people per square kilometer. In addition, based on the Status of Forces Agreement under the U.S.-Japan Security Treaty, the U.S. military controls 11 sea zones and 15 sectors of air space. As a result, we cannot freely use our own sea zones, air space as well as land area, making us question whether the prefecture is really a part of the sovereign state of Japan.

These conditions pose a great obstacle to urban development, not to mention the promotion of industry in Okinawa. Since the reversion, the Japanese government has enacted three ten-year Okinawan development projects with more than four trillion yen in investments, and has promoted the development of the infrastructure.

As a result, basic infrastructures such as roads and ports have been built, but unfortunately, economic gaps still exist between mainland Japan and Okinawa. The basis for independent economic development is not sufficient despite the goals of these development projects. In particular, industrial growth, which is critical for economic independence, has not been fully promoted. The per capita income in the prefecture is about 74 percent of that of the national average, less than half of Tokyo's, and the lowest in Japan. Furthermore, the unemployment rate in Okinawa is 6 percent, which is more than twice the national average. More seriously, the unemployment rate among young people in their teens and twenties is 12 percent.

Okinawans not only bear the heavy burden of the military presence, but we also face a great obstacle when planning the promotion of local industries and developing urban areas. The major cities in Okinawa such as Naha, the capital, Urasoe, Ginowan, and Okinawa City have been formed in a disorderly manner, sprawling out from the bases without proper zoning. Those urban areas are thus rendered vulnerable to natural disasters. Therefore, in order to protect the lives of the people of Okinawa, we need to carefully design and develop urban areas so that the works of the fire trucks and ambulances may be carried out readily.

To give an example, Kadena Town, which hosts a U.S. air base, is deprived of almost 83 percent of its land area for the installation, while its 14,000 people are squeezed into 17 percent of the town area. Under, these conditions, the people of Kadena can hardly live lives befitting human beings.

As explained above, it is no exaggeration to say that the base issue and the compulsory land acquisition issue are the most serious problems Okinawa has had since the end of World War II.

Okinawans experienced compulsory land acquisition, or forced expropriation of land for military use, during the war and even in the prewar era. Prior to the Haihanchiken of 1879, a proclamation which ordered the abolishment of han (feudal clans) and the establishment of ken (prefectures) in Japan, the Meiji government instructed the Ryukyu Kingdom in 1875 to cease dispatching delegations and envoys to China, to start using Meiji era names, and to follow various other reforms. One of the instructions given to the Kingdom was to station on its soil the Japanese garrison force drawn from the 6th Kumamoto Division. The Ryukyu Kingdom followed all instructions but for stationing the Japanese garrison, insisting that "the Ryukyu Island had never required garrisons before since it was an impoverished kingdom at great distance from any of the world's powers," and that "a military garrison, if established on the tiny island, might attract hostile intentions and threats from foreign powers." Therefore, they argued that "it was much wiser to rely upon friendly negotiations and courtesy to keep good relations with neighbors in order to maintain peace."

However, the Meiji government was undeterred and sent the Kumamoto Division to Naha, insisting that "it is the obligation of the government to protect the peace for its people, and only the government should decide where forces should be stationed, therefore, nobody could object to the decisions." Meiji officials chose an area of about 61,600 square kilometers in Kohagura, which lay between Shuri and Naha, and forced the sale of the land, which was necessary, they said, for barracks, firing ranges, and hospitals. Since the Kohagura area was fertile farmland, the Ryukyu Kingdom requested that the Japanese government reconsider, even offering a substitute land area without asking for compensation.

The Meiji government, however, ignored the request and chose Kohagura to station the Japanese Garrison.

In this way, Okinawa, once known as a peaceful island, was forced to follow the militaristic polity of Japan. This event is said to be the start of the militarization of Okinawa. This event also shows that, against the will of the local people, the policies of the central government were given priority.

During World War II, farmlands were taken forcefully by the Japanese Army for use as airfields for the protection of Japan.

Even after the war, forced expropriation of land continued with proclamations and ordinances issued by the U.S. military government as it had been done during the battle. The loss of residential records and land documents during the war made it difficult to confirm ownership of land, rendering arbitrary expropriations by the U.S. military even easier. I cannot go into the details of the content and the legitimacy of those forced requisitions, but they were traumatic enough for native Okinawans who always spoke of "land being taken at the point of the bayonet, and people's homes being felled by bulldozers."

From 1953 to 1957, the people of Okinawa went through a "shimagurumi (island-wide) land dispute" over forced acquisition. During this period, the Ryukyu administration sent a delegation to the United States twice to request the settlement of the land issues. The current land problems and actions we are taking are, in a sense, a revival of the situation in those years.

What is peculiar to the land problems in Okinawa since the prewar era is that most land taken for military bases were taken from farmers. Farming, for a very long time, had been a key industry on Okinawa. Dispossessed farmers were deprived of their means of income and forced into emigrating to foreign countries such as Bolivia to search for a place where they could live in peace. Many others had no choice but to abandon farming and seek jobs at the military bases.

As historical records indicate, for the people of Okinawa who espouse ancestor worship, land is not a subject of purchase or merely a place to cultivate crops. For Okinawans, land is a valuable inheritance from their ancestors and a symbol of their attachment to their forebears. Therefore, Okinawans are strongly devoted to their land and firmly protest against any forced requisitions. In relation to this, I must point out that while 87 percent of the land occupied by the U.S. military in mainland Japan is state-owned, as much as 33 percent of the land occupied by the U.S. military in Okinawa is private property. Especially in the southern and central parts of the main island of Okinawa, 75 percent of the military-used land is under private ownership. In addition, the delay of the agreement on noise restrictions for Okinawan bases and the difference in the patterns of military drills between mainland Japan and Okinawa make Okinawans feel that they are being treated unfairly. A number of accidents resulting form military activities and crimes committed by U.S. military personnel continue to occur. The rape of an Okinawan schoolgirl last September by three U.S. servicemen is one example of heinous crimes that we find hard to forgive.

Despite a resolution in the National Diet upon the reversion of Okinawa to Japan, which promised to reduce and realign the bases as soon as possible, little change has been made in terms of the military base situation.

The people of Okinawa had hoped that the bases on the island would be reduced and realigned after the end of the Cold War. However, despite our hopes, U.S. forces will maintain troop levels of 100,000 in the Asia-Pacific region, according to the East Asia Strategic Report by the U.S. Department of Defense. Also, there was much concern that the U.S. President and the Prime Minister of Japan would, at the summit meeting scheduled for last November, reaffirm the U.S.-Japan Security Treaty and reevaluate the functions of U.S. bases on Okinawa on a global basis. Thus, the people of Okinawa were anxious that the function of the military bases on Okinawa would be further strengthened and consolidated into the 21st Century.

Under these circumstances, it was very difficult for me, in charge of the administration of Okinawa Prefecture, to accept the reinforcement and consolidation of the U.S. military bases. Therefore, I could not sign the documents for expropriating Okinawan land for U.S. military use. I could not help but refuse to sign in light of the responsibility I have for the people of Okinawa. The decision does not necessarily seek an immediate repeal of the U.S.-Japan Security Treaty, nor does it harm the relationship between our two countries.

Needless to say, I do not think that my refusal would instantly lead to a resolution of the base problems. The people of Okinawa have been forced to live side by side with military bases and have suffered from the burden for 50 years. Considering this fact, I may safely say that the people of Okinawa have been contributing well enough to the U.S.-Japan Security Treaty.

The reversion of Okinawa in 1972 meant its return to Japan and its peace constitution, and for Okinawa, it was expected to be a great turning point in both name and reality. Upon reversion, the people of Okinawa had earnestly desired that the bases would be reduced to the same level as mainland Japan, that people would have their human rights restored, and that local autonomy would be established.

But, little has changed in the Okinawan situation for about a quarter of a century since the reversion. A massive and disproportionate concentration of U.S. military bases still exists on Okinawa, and base-related incidents and crimes by U.S. military personnel continue to occur. This situation is far from what Okinawans had desired. Article 2 of the Status of Forces Agreement provides that U.S. forces may be stationed anywhere in Japan under the U.S.-Japan Security Treaty in the so called "bases-throughout-the-country system." Under this provision, I can hardly understand why only Okinawa, not any of the other prefectures, should shoulder such an excessive and disproportionate burden of the bases.

Most Okinawans do not want to force their suffering on to other people. We, however, believe that all Japanese should equally share the responsibility and the burden of the U.S.-Japan Security Treaty, if it is so important. If not, we feel that we are being discriminated against in a violation of legal equality.

There are 1.27 million Japanese people in Okinawa. Fundamental human rights such as property rights and the right to live in peace that are guaranteed in the Constitution as well as the principle of local autonomy are at question in this lawsuit. In this sense, all Japanese should act assertively for a resolution of the base problems in Okinawa for it involves the issue of the protection of human rights. In this respect, the base issue is not only a mere local problem for Okinawa but also a problem for all Japanese, in which Japan's sovereignty and democracy are challenged.

Since taking office, I have been to the United States five times in order to resolve base-related problems and have repeatedly asked both the Japanese and U.S. governments for reduction and realignment of the bases as well as the prevention of base-related accidents and crimes. My efforts were rewarded to some extent when the interim report of the Special Action Committee on Okinawa (SACO) came out in April, showing the complete return of the Futenma Air Station and the returns of other facilities. This did make a certain degree of progress in regard to the reduction and realignment of the bases.

However, the Okinawan people cannot be satisfied with the content of the report because the facilities will be returned on the condition that their functions are transferred to other existing facilities and areas in Okinawa. Residents of municipalities, which are considered potential sites for relocation, regard the transfers as reinforcements of bases, so they strongly resist the proposals. I would like to ask those officials in charge of the decision to relocate the bases to come to Okinawa to inspect carefully the potential sites and evaluate the impact that relocation would have on the livelihood of the neighboring residents and the surrounding environment and ecological system.

The history of Okinawa has been strongly influenced by outside factors. The Okinawa Prefectural government, of its own will, promulgated the Base Return Action Program for the planned and gradual return of the U.S. military bases by 2015, and is now formulating the Cosmopolitan City Formation Concept, which will direct the future of Okinawa in the 21st Century.

This concept aims at creating an Okinawa free of bases, resistant to natural disasters, that is peaceful and beautifully green. It aims to create a cosmopolitan city where technological, economic, and cultural exchanges with Asian countries are promoted through the exchange of people, products, and information. I would like to transform the bases into productive places, which contribute peace and happiness of all people. Utilizing Okinawa's geographic location and its traditional and friendly relationship with other Asian and Pacific countries, I want to establish a peace-oriented exchange network in Okinawa which unites Japan and other Asia-Pacific countries amongst the global community. I would like to entrust Okinawa's future to this cosmopolitan project.

At the end of my statement, I would like to note that the people of Okinawa sincerely hope that the Supreme Court, as a guardian of the Constitution, will judge fairly the military base problems in Okinawa.

I hope that the Supreme Court will examine the past and the present situation in Okinawa and understand that the principle of the Constitution has not been at work for its people. I sincerely ask that the Supreme Court refer to the principle of basic human rights and the objective of local autonomy provided in the Constitution and reach a ruling which will give the young people in Okinawa hopes and dreams for a brighter future.

Japan: Ruling Parties Agree on Okinawa Promotion Measures

OW2308105996 Tokyo KYODO in English 1026 GMT 23 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 23 KYODO — The three ruling parties on Friday agreed to earmark special funds for development in Okinawa, in budget requests for the coming fiscal year, coalition officials said.

Policy-makers from the Liberal Democratic Party (LDP), the Social Democratic Party (SDP) and New Party Sakigake decided that the funds will be used to promote the island prefecture as a free trade zone and to subsidize airport fees to give airlines leeway in slashing ticket prices.

The SDP on Friday urged a cut in the 25.15 trillion yen midterm defense budget to free-up funds for the relocation of U.S. military installations from Okinawa to other parts of Japan.

The policy proposals on the consolidation of U.S. military bases was formally decided on at a meeting of party executives.

It also suggested that Japan's share of the costs for stationing U.S. troops in Japan should be reduced in order to "ensure that the relocation costs can be covered amid severe fiscal constraints."

Since the LDP wants the relocation to be covered by funds other than the defense budget, the SDP proposal is certain to lead to controversy within the ruling three-party coalition.

The SDP also insists that U.S. artillery drills be relocated to alternative sites on the main island of Honshu only if those localities agree to the plan.

Okinawa, Japan's southernmost prefecture, is demanding the complete withdrawal of all U.S. troops and military installations by the year 2015.

Although consisting of less than 1 percent of Japan's total land area, the prefecture is home to 75 percent of all U.S. military facilities stationed in Japan, in terms of area.

Japan: Article Views Kajiyama's Okinawa Advisory Panel

OW2208123196 Tokyo ASAHI SHIMBUN in Japanese 21 Aug 96 Morning Edition p 2

[FBIS Translated Text] On 20 August, Chief Cabinet Secretary Seiroku Kajiyama announced the formation of his private advisory panel, called the "Informal Meeting on Affairs Related to Okinawan Municipalities Housing U.S. Military Bases" (with Keio University professor Haruo Shimada as chairman). The formation of the advisory panel is an expression of the determination of the Prime Minister's Official Residence to join hands directly with Okinawa to tackle economic issues and create conditions that will facilitate a breakthrough in the impasse over the problems of realigning and reducing U.S. military bases on Okinawa and the compulsory use of land for military purposes. Among panel members are representatives of Okinawa's economic, labor, and mass media sectors, in addition to economists advocating deregulation and experts on employment issues. Following the panel's first meeting in August, plans are under consideration to hold a second meeting as early as in September in Okinawa to hear the opinions of local mayors.

Upon the request of the Okinawa Prefectural Government [OPG], the central government and ruling coalition parties, with the Liberal Democratic Party playing the main role, are making arrangements to draft economic development projects for Okinawa. In contrast, Kajiyama's advisory panel seeks "to have the pains of military base-related issues reflected in the government's measures by listening to the requests and complaints of municipalities where military bases are located" (according to Kajiyama). The panel has apparently been formed to create a new channel for dialogue between the Prime Minister's Official Residence and various circles in Okinawa; it is completely separate from another panel which consists of the central government and ruling coalition parties and the OPG.

Notable among the members of Kajiyama's advisory panel is Masahiro Toguchi, chairman of the Federation of Okinawa Prefectural Labor Unions, who supports Okinawa Governor Masahide Ota and has been running around trying to organize the Okinawa prefectural referendum planned for 8 September. Also in the panel are the presidents of the two Okinawan newspapers, which are influential in shaping local public opinion. Some close associates of dietmen elected to represent Okinawa have indicated that they feel the Prime Minister's Official Residence is trying to absorb the governor's close associates, saying that "it seems like they are trying to strangle the governor gradually by indirect means."

In terms of policymaking, the participation in the panel by Etsuya Washio, director of the Japan Trade Union Confederation secretariat, and Shimada, the panel's chairman, who is an expert on employment issues, indicates the panel is all set to tackle unemployment, which has become a very serious problem in Okinawa.

The creation of Kajiyama's panel also indicates efforts are being made to respond to the OPG's idea of promoting economic deregulation to turn Okinawa into an "economy-oriented model district." Among the other panel members are Nobuo Tateishi, chairman of Omron Corporation, who is a member of the Deregulation Subcommittee under the government's Administrative Reform Committee and is recognized in the business world as an active advocate of deregulation, and Keiichi Inamine, chairman of the Okinawa Prefectural Management Association, who has been leading Okinawan business circles in calling for expanding Okinawa's "free trade zone."

It has been reported that regarding the panel's lineup, Prime Minister Ryutaro Hashimoto seemed very satisfied, telling his close associates: "What a great job!"

Japan: Editorial on Okinawa Development, U.S. Bases

OW2308084696 Naha RYUKYU SHIMPO in Japanese 21 Aug 96 Morning Edition p 5

[Editorial: "Government Urged To Take Drastic Okinawa Development Measures — Return of U.S. Bases and Development of Okinawa Are Closely Connected Each Other"]

[FBIS Translated Text] The Supreme Court is scheduled to hand down its ruling on 28 August on the dispute between the central and Okinawa Prefectural Governments over Okinawa Governor Masahide Ota's refusal to sign papers needed for forced rental of land to the U.S. military. Also, on 8 September the Okinawa prefectural office will conduct its first referendum to ask residents whether or not they want U.S. bases in the prefecture to be consolidated and reduced. Prior to such major events, the government has begun to hurriedly compile Okinawa development plans. On 20 August, Chief Cabinet Secretary Seiroku Kajiyama disclosed a plan to set up a "committee for municipalities hosting U.S. military bases" (Okinawa council) as an advisory body. Kajiyama also announced that a "meeting of welfare ministers from east Asia," in which countries in the Asia-Pacific region will participate, would be held in Okinawa on 5 December.

On the previous day, Okinawa Vice Governor Masanori Yoshimoto officially asked Kajiyama for "special steps, including deregulation, to promote the development of industries" in the prefecture, as a measure for the development of Okinawa after U.S. bases are returned. Kajiyama reportedly replied: "We will consider it."

If the Hashimoto administration stakes its future on the return of U.S. bases on Okinawa and makes earnest efforts to work out measures to develop returned land, we will gladly give high praise to the government. However, if it compiles development measures merely as a temporary expedient to maintain U.S. bases in the prefecture, its development proposals will be no better than those presented in the past.

Okinawa has asserted that the return of U.S. bases is indispensable for the development of Okinawa in the 21st century, and that the return of military bases is impossible without development plans. The return of U.S. bases and the development of Okinawa are closely connected each other. The government should be fully aware of this.

Prime Minister's Official Residence Expected To Take Initiative

The fact that Chief Cabinet Secretary Kajiyama established the Okinawa Council indicates that the Prime Minister's Official Residence will take the initiative in working out Okinawa development programs.

U.S. military bases-related problems are mostly political issues, thus they require political decisions for settlement. Considering this, we have no objection to the Prime Minister's Official Residence taking the initiative in formulating Okinawa development plans.

At present, there is no knowing what issues the Okinawa council will discuss. If it, as its name suggests, only takes up issues concerning municipalities hosting U.S. bases, we cannot expect much from it.

The requests Vice Governor Yoshimoto recently made included expanding the role of the prefecture's free-trade zone, designating Naha port as a base port, and introducing a system to enable tourists to visit Okinawa without visas. To fulfill these requests, it is necessary to introduce a new system that goes beyond the limits of the existing system. Whether or not a new system should be introduced is the very issue that requires a political decision. In short, we want the Prime Minister's Official Residence to take the initiative in creating a new system.

Unless the council takes a wide view in discussing development measures for cities and towns with U.S. military bases, it will end up formulating only short-term development plans.

We know that as a national project, the Philippines tackled the development of land occupied by the Subic Bay Naval Base after it was returned. We expect the government to do the same after Marine Corps Air Station Futenma and other U.S. military installations are returned. A great project to realize the return of U.S. bases will not work smoothly if the government is unwilling to spend money for the development of Okinawa while freely using it for the relocation of military bases. The government should follow the example in the Philippines.

Plan To Hold an International Conference in Okinawa Should Be Welcome

When Vice Governor Yoshimoto asked the government and the ruling parties for Okinawa development measures, he said: "We want a leading economic zone, which will promote economic activities as a cosmopolitan city, to be established in the prefecture. Such an area will contribute to the promotion of Okinawa's economic independence and the growth of the Japanese economy."

What should be done to develop Okinawa as a "leading economic area"? What measures should be taken? Okinawa will lose various military bases-related revenues as a result of the return of U.S. bases. So, how should we create a new revenue source after the loss of bases-related revenues? Also, how should Okinawa development plans be promoted? Unless the development of Okinawa and the return of military facilities, which are two closely connected issues, are dealt with simultaneously, there will be no progress.

For the development of Okinawa, we need to not only improve infrastructure but also have a good development concept. From this viewpoint, a plan to hold a "meeting of welfare ministers from east Asia," which the chief cabinet secretary announced, should be welcome.

Okinawa should make efforts to bring other Asian and international conferences to the prefecture. Such efforts will eventually make great contributions to creating a cosmopolitan city in the prefecture. South Korea, Japan's neighbor, has actively used Cheju Island as a place for international conferences. The same can be done in Japan if top government officials decide to do so.

There are not many places in east Asia suitable for international meetings. Thus, it is possible for Japan to bring such conferences to Okinawa. It is more desirable if the prefecture is developed not only as a venue for international conferences, but also as a place where various international organizations can have their permanent offices. That will help boost Japan's international contributions.

The old systems established in the 20th century are in a state of flux. Therefore, now is the time for the government to carry out drastic Okinawa development measures to free the prefecture from the burden of military bases.

Japan: Okinawa Landowners Oppose U.S. Base Closings

962B0095A Tokyo SHOKUN in Japanese Jun 96 pp 132-140

[Article by Hidemine Takahashi, nonfiction writer: "Newspapers Won't Write About It: Okinawan Landowners Do Not Want the Government To Return Bases [Their Land]"]

[FBIS Translated Excerpts] In the town at Camp Hansen, they are saying, "No one can survive without the base." The facts behind the political decision.

Guns Make the Sound of Cash

"Return the land...."

"We won't permit the Security Treaty system..., we will fight...."

Early in the morning in the midst of a torrential downpour in front of Camp Hansen Gate 1, about 30 people wearing number bibs thrust up their fists in rhythm. A team of reporters turned their cameras as if stuck to them. However, they dispersed in about 20 minutes in the pouring rain. With leisurely pace, they boarded the minibus furling their "peace" banners and disappeared without a trace.

In the evening editions of that same day the headlines flashed "Residents Feelings Ignored, Show Anger."

There were no residents of this town among the fists.

Kin-cho is situated on the neck of the eastern central section of the Okinawa's main island. Sixty percent of the area is Camp Hansen, or in other words, a U.S. Marine base.

The lovers' lane which previously had flourished with A-sign bars with companions for U.S. Marines is completely deserted and half the stores remain with the shutters rolled down. During the day, almost no one passes by and only many stray cats go back and forth in the dark.

"The incident of the young girl raped by U.S. soldiers which occurred in Kin-cho has plunged the people of Okinawa Prefecture into a crucible of fear and anger." (Attributed to Hiroaki Fukuchi, managing director, Okinawan Human Rights Association, *Crimes by U.S. Forces in Okinawa*, Dojidaisha)

I visited this town considered to be the origin of "anger" for U.S. base consolidation and reduction.

From beyond the fence, a sound like firecrackers or fireworks caused by rifle shooting practice can be heard throughout the year. Moreover, in large-scale live ammunition exercises with 155 mm guns blocking the prefecture highway, 100 shells a day fly back and forth over the town and seem to rip the sky apart like thunderbolts. Here is a "battlefield structure" town, so to speak.

The mountains which are the impact area are completely bald from the mountain fires that occur repeatedly and shell scars.

Since the live ammunition exercises have continued for close to 50 years in this area, the people of the town do not seem to notice it in particular. Although I pointed to the mountains and said to a lady at a cheap candy store, "This is noisy, isn't it?", she asked back, "What?"

"The live ammunition exercise."

She touched her hand to her ear, "Are they doing it?"

"Why, they are doing it, aren't they?" she said in a word of disinterest.

It was just like I was broadcasting the exercise to the people of the town.

"I am completely numb to it," says a young man who lives in a place some 100 meters away from the fence. He says that he knows that there is a live ammunition exercise by the chorus yelling of the "red headbands." In this town, they call the people who participate in antibase movements "red headbands" or "red banner wavers."

Regardless of being numb, stray bullets frequently come flying by in the vicinity of the fence. Bullets easily fly over the fence just due to the Marines changing their rifle angle a little and can go through roofs, window glass, water tanks, millet fields, and the thigh of a person. However, the people of the town do not seem to complain seriously about injuries and they really are calm even regarding return of the base, saying "It probably won't be returned anyway."

When I asked the reason why, they are filled with a strange conviction that "Since they are buzzing with construction work in there, it's not likely that they will return it."

Conspicuous in this town have been the base benefits rather than the base damage.

In contrast to the deserted stores, a handsome civic center and gymnasium unduly strike the eye. The chief industry of this town with a population of 10,000 people is "town hall-related business" and base-related revenues account for close to 40 percent of the town's finances.

The aforementioned young man says, "We have ended up becoming 'habitual victims.'"

But should it go on this way forever?

"Heavens, it would be difficult if it doesn't continue. What would we do with that mountain at this belated time?"

A considerable number of duds are buried from the over 40,000 shells that have continued to be fired for 50 years on denuded hill. It is said that disposal of them will take 100 years and even if returned, it is hardly a usable former site. The mountains inside the fence are "dead ground."

Whose Land Is Inside the Fence?

It is a fact that is apt to be overlooked in the debate surrounding return of the bases, but 64 percent of the land in the U.S. military bases on the main island of Okinawa is privately owned land or municipality-owned land. The Japanese Government pays a land lease fee to requisition these lands and provides them to the United States as land for military use free of charge.

In the days of U.S. rule, the United States directly concluded lease contracts with the residents, but after the return to the mainland, the Japanese Government raised the military use land fee sixfold all at once and has carried out rental operations like a realtor.

The total amount of the land lease fee is 56.8 billion yen annually. This is paid to individuals and municipalities.

First, let's look at individual ownership.

The number of landowners is about 28,000 people. The annual land lease fees are almost all less that 2 million yen.

Private ownership of land in Okinawa began in 1903. After the Ryukyu dynasty, farmers divided the communally owned land quite equally under a "land allotment" system and cultivated it, exchanging it during a rotation of several years. For the sake of tax revenue stability with the land tax revision, each individual came to own the land he farmed at the time. Many of the landowners are petty landowners as a vestige of that.

For example, 92 percent of the total area of Futenma Air Station, the return of which recently was decided, is privately owned land and it is quite subdivided with 2,216 landowners.

Base return is mentioned as a political problem, but in the first place, the base is the land of these landowners.

Well, according to what the media has reported, Okinawa, including all the people of the prefecture, are demanding the return of the bases. But what on earth do the parties to whom it will be returned, or in other words, the landowners, think about the return?

According to the Okinawa Prefecture Military Use of Land Landowners Intention Survey, a questionnaire targeting 3,000 landowners of land used by the military that Okinawa Prefecture conducted by consignment to a survey company in 1993, the results produced on the question, "Do you think your land used by the military should be returned as soon as possible?" were as follows: 45.3 percent of the people said that they didn't think so; 22.8 percent said it should be returned if there were a plan for using the former site; 17.9 percent said that they thought so; and 13.6 percent didn't know. When the people who responded that they didn't think so were asked the reason why, the answers ranked as follows: 49.1 percent said because the land fee is attractive; 17.4 percent said because the land cannot be used even if returned; 15.7 percent said because compensation after return was not enough; and 10.9 percent said because it would take a long time before the land can be used.

In other words, half of the owners of the land "do not want it returned quickly" because "the land fee is attractive" or "it cannot be used even if it is returned."

"Opposed" to Base Opposition

In January this year, Governor Ota and others of the prefecture established an action program aimed at a return of bases across the board in 2015 and made the demand to the national government.

As opposed to that, Naoyoshi Sunagawa, director of the Okinawa Prefecture Federation of Landowners of Land Used by the Military, etc. (commonly called Tochiren), an organization of Okinawa Prefecture landowners of land used by the military, says that "People who are not landowners probably will applaud, but we who are the interested parties are puzzled. Ninety-nine point eight percent of the landowners concluded a contract with the national government in 1992 for a 20 year-period, or in other words, until 2012. It's strange that the prefecture is saying to return it even though we have concluded a contract with the national government. I think that they have become a little bit too emotional and too hasty."

Tochiren formally has expressed opposition to the prefectural program.

One of the reasons is use of the former sites. As "an international city concept," the prefecture has set up 12 bases for the respective former base sites such as an international cooperation and exchange base, a business base, and a peace-exchange base. For example, Camp Hansen in Kin-cho will become a resort base and subtropical forest restoration technology development base, but there is nothing specific about what they actually will do.

Furthermore, the aforementioned minuteness of land ownership is cumbersome. To begin with, all public maps of land ownership in Okinawa were destroyed by fire in the Okinawan war, and in addition, since it is surrounded by a fence, it is not clear whose land is where.

Although map measurements were attempted based on self-statements as a first step after the war, previous land has ended up leveled out quite flat and calculating the area in the self-statements, it ended up going beyond the fence and protruding into the sea. That is because public maps before the war measured land with a rope and the area is reduced when hills are made flat. Although people of the neighborhood gathered together and drew lines by a peaceful group settlement method, there were quite a few missing people in the war and people who moved to South America and it still has not been completely restored to its original state. In other words, the boundary lines for land inside the fence are those agreed by the people of the neighborhood to make it thus for the time being.

When this is returned, what were just figures will become fact. So, actually where will the roads, electricity, and waterworks pass and what will they do if one wants to farm and the neighboring people want to construct a building? Nothing will progress unless an agreement of all adult landowners is obtained.

It will take considerable time before even the land returned up to now is actually usable land.

The period of nonuse until land substitution is completed for returned land over 10 ha averages 14 years.

According to the "Law Concerning Special Measures Accompanying Return of Land Used by Military Stationed in Okinawa Prefecture," payment of the same amount as the lease fee is only for three years after the return. That also has the condition that the land not be used during that time. Many of the landowners are elderly (25.6 percent in their 50's, 28 percent in their 60's, 20 percent in their 70's, and 9.4 percent in their 80's), and 43 percent of all the landowners are unemployed. It is reasonable to believe that it would be easier for them to live with a lease fee than embrace difficulties for over 10 odd years in the future.

"We do not provide our land from choice. The property handed down from our ancestors has been used forcibly by the occupation of U.S. Forces. In other words, large properties have been snatched from us and in that sense, being a landowner has forced a sacrifice on us even now. We are the greatest sacrificers, so to speak. We just want to protect our property ourselves" (attributed to the previously mentioned Sunagawa).

Amidst the swelling return movement, there are protests lodged against Tochiren such as why they are resigned to a loss and not participating in the movement, their acts are against the people of the prefecture, and they can go into the bases to cultivate fields.

Although the contract between the national government and landowners is for 20 years, cancellation right lies with the national government. In other words, if the United States says it is not needed, it automatically will be canceled immediately without regard to the intentions of the landowner.

U.S. Military Base Was 'Lured'

Well, what about communally owned land? Much of the communally owned land inside the fence primarily is mountains and forests not suited to farming. It has continued to be passed down as communally owned land untouched by the Meiji land readjustment.

Since the area is vast, the lease fee also is enormous. For example, Kin-cho, which provides the town-owned land of mountains to Camp Hansen, receives 1.3 billion yen annually. A splendid civic center, roads, parks, and the 22 town assembly members, including the mayor, have been supported by this lease fee.

In December last year, however, notification suddenly was made of the return of a portion of Camp Hansen. It was 160 ha of a mountain slop on the side opposite Kin-cho with a lease fee of 100 million yen. Most of it is the city-owned land of Nago city.

"We felt truly surprised in any event," says the chairman of the Nago City Land Used by the Military Landowners Association.

The city receives 60 million yen of the 100-million-yen lease fee and the remaining 40 million yen is distributed to the various wards, which is the subordinate administrative unit.

A "ward" in Okinawa is a kind of village community. They currently are linked by roads, but geographically, they are divided by rivers, etc., and even now, particularly in the northern part, there is a strong community awareness of the differences such as in the accent of words . Property such as town-owned land or privately owned land is strictly in name, and half is included in a ward due to former custom. Then, a budget for the military use land fee is administered by the ward headman and a ward administrative committee chosen in an election. For example, Kise Ward in Nago city has a population of 421 people, and annually receives 25 million yen. The major expenditures are a small water-supply system, electricity, maintenance of the ward hall, and festivals.

"It is a serious problem. Without this, we no longer will have even electricity."

The landowners association petitioned the Defense Facilities Administration Agency [DFAA] in opposition to the return and given this, the city assembly also unanimously decided on a demand for total revocation of the return in December last year.

For over 50 years since the war, local landowners connected with the bases have built a basis for living according to that rhythm, willing or not, and the hasty return of a portion at a time when no countermeasure preparations have been carried out is absolutely not something that they can accept (from text of resolution).

It is a story with complicated twists in which the base sacrificers again will make a sacrifice by the bases being returned.

"A great fuss has been made about the return due to the incident of the rape of the young girl and the base area must be reduced in any event. The national government engineered it. It is a cheap trick." (attributed to the aforementioned landowners association chairman)

Indeed, the site is a steep mountain slope and the return of this alone cannot be used for development. According to talk in the town office, there are no prospects for making it farmland even if the soil is improved. According to the landowners association chairman, it reflects a kind of harassment by the national government of the return movement that recently has been flourishing.

"Ever since the rape incident, too much anti-U.S. sentiment has been planted. Japan probably couldn't survive one day without the United States. What would we do if we were precluded from sea lanes? I am against militarism. However, Japan probably has developed because of the very fact that it is protected by the Security Treaty. We believe that by all means we must cooperate since the Security Treaty is national policy. If the United States does not train its troops, it probably will not have the power to protect Japan. We have such pride and will cooperate and we might even brag about this. If we were to say now that we should remove the bases, it would shake the nation of Japan."

Have you thought about it to that extent?

"To put it in a nutshell, it is patriotism. This patriotism is no different from the patriotism during the war for the emperor. However, only the methods are different."

The chairman emphasized thus while tracing with his finger the prepared pencil-written draft at hand. They are cooperating on the bases for national defense.

Closely investigating the history of Camp Hansen regarding Kin-cho land, initially, the U.S. military indeed forcibly seized the mountains and began exercises, but later, the landowners association approached the United States to lure a permanent Marine base like the present.

We people of Kin Ward who own the majority of the said land used by the military (Camp Hansen) submit the petition believing that establishment of a permanent marine camp in the said area is the way that will give the greatest benefit to us residents (attributed to OKINAWA SHIMBUN 9 Oct 1957).

Though they had taken great pains to cooperate, the result now is having only a portion returned.

"In short, we will lose money if it is returned. Or, conversely speaking, there has to be the feeling of how come we previously had such money, but.... We cannot return to the old life, the life when there was no base," says a municipal office-related person.

It seems they will begin by cutting the number of employees at the government office.

Village Society and Military Use Land Fee

Land used by the military is a strange asset that produces money just by being inside the fence.

When walking near the bases of Okinawa, you often see signs saying, "We buy land used by the military." In the aforementioned questionnaire of landowners, people who had bought the land used by the military from other people accounted for 10 percent of the whole. Land used by the military is transacted with a market rate 29 times the annual lease fee for Kadena Air Base and 10 times for Camp Hansen. According to a realtor, "When we put out an ad that we are selling land used by the military, we surely will be swamped with telephone calls. The land under the runway particularly is popular."

The lease fee for land used by the military always goes up 5 percent a year. It is higher interest by far than a bank account. In addition, there is a mutual aid fund loan system where a loan can be received to a maximum of 10 million yen without a guarantor if land used by the military is made the collateral. It is indeed surprising that there are sales of land used by the military in Kin-cho, where there are many "We buy land used by the military" signs, and a former bank employee says, "If a person seems about to sell, it is bought up by the ward."

Why?

"It is so that land will not be handed over to strangers. That is because, for example, it would be terrible if it were bought by a so-called antiwar landowner and there was a contract refusal."

Land used by the military and owned by individuals is sold in order to send children to school on the mainland. In these cases, it often is bought by a relative or a ward in this town.

"In other words, land used by the military here is kind of village property. You might say that it is also a symbol of village harmony."

'Panic' If Returned

Let's try to sort out the communal land for military use in Kin-cho. The communal land in Kin-cho provided to the U.S. military largely can be divided into two categories.

One is the town-owned land. It is mountains. Formerly, afforestation was actively conducted and in 1897, it became a national forest for a time. The people of Kin jointly contributed money to maintain this as property and have had government disposal sales for 30 years.

The town takes half of the 1.3 billion yen annual lease fee and the remainder is divided among the various wards (four) according to area. That is applied to maintenance costs for the ward hall, etc., and a reserve fund. A portion is distributed to the ward people depending on the ward.

Another is ward-owned land that is scattered on steep slopes at the foot of mountains and in deep gorges. It has been land that inherently is unusable, but by being surrounded by the fence, they have come to obtain a lease fee for the land used by the military. The people who have lived in the ward since before the war receive a lease fee as if it were "individual ownership" by the holder of a title deed and it is amassed after pooling a lump-sum in the ward. In Kin Ward, the central portion of Kin-cho, this amounts to 200 million yen. Then, the remainder is distributed to households.

In either case, it is distributed to the individual in some form.

It varies depending on the ward, but the money distributed to the individual is from about 200,000 yen to 700,000 yen annually. Receiving this is called "an allotment," and upon investigation, the "allotment persons" are limited. In the case of Kin Ward, it is the descendants at the time of the town-owned land government disposal, or in other words, only the "local" male head of the household who has lived on this land since before the war. Many people moved to this town from various places in Okinawa to live after the war, seeking employment at the clubs for the U.S. military base or stores. Accounting for close to half the population, they are called "temporary residents," and are not issued any money distribution at all. It is zero for female heads of household, even among the local people. In the case of Kin Ward, "allotments" are made to only 530 of the total 1,500 households.

"The difference between rich and poor in this town really is severe. The temporary residents rent homes and do not receive one even though they have been here for some ten years. Since the local people have their own land used by the military also, they can drink and gamble because they don't have to work," says a taxi driver who lives in an apartment.

He is a temporary resident who came from the southern part of the Okinawa main island 20 years ago.

"In the end, so long as they receive money, the local people think the United States should stay. They do not have any pride in being Japanese. Since they are not beggars, they should work by themselves and live by themselves with pride. I want to say to them, don't you have any pride? With so much land taken by the bases, you don't know whose island this is even though it is their own island. I am irritated."

When are you irritated?

"Well, I'm not irritated all the time, but when I watch television or look at the newspapers, I become irritated that yes, the bases should be returned."

Are you in any base opposition movement?

"I can't do that."

He laughs crookedly.

"Because I would be evicted from here by the landlord if I did something so conspicuous in town. Since the landlord is the owner of land used by the military, if you say something offensive about the United States, you will be ostracized. Therefore, you cannot say "return the bases" in front of people in this town."

This is seen around any base, not just Kin-cho. For 50 years since the war, the incomprehensible money called a military use land fee has poured into some men. Though existing on the same injurious land, there are benefits for only half. Often heard at bars near the base is malicious gossip that the owners of land used by the military perhaps are living a somewhat slovenly life. Tales of owners of land used by the military circulate that they walk around with a wad of money, buy women and create illegitimate children here and there and drink throughout the day. Relations between men grate upon each other by land being inside or outside the fence and the system of discrimination between locals who were there originally and temporary residents like in Kin-cho is entrenched in a distorted form. "Ancestor worship," which is apt to be glorified, also has the meaning of property protection.

From a different viewpoint, it can be said that the DFAA's policy on land used by the military has come to make thorough use of this village consciousness.

"It will be terrible if ward-owned land is returned. It is good because that land is on the opposite side of the fence. If it were returned, it would seriously end with a property war. If it is returned, the town probably will panic unless it is again enclosed by something," says a young landowner.

There are "wire telephones" that have been set up with the defense budget in all the households of this town. At first glance, they are regular telephones, but a telephone call to all households can be made with four digits. Three times, morning, noon and night, a broadcast of notices from the town office flows from the speakers along with mood music such as, "Everyone, how did you wake up this morning?" Everything is linked by indoor wiring within the town. It is made up of "circuit groups" where 10 houses in a neighborhood share the same circuit and while one person is using it, the others cannot use it. If you take off the receiver because you do not want to hear the town office broadcasts, the other telephones in the circuit group all are disconnected.

Like it says in the telephone book, "No matter how angry you are, let's always respond with a smiling face." "Let's not cause trouble to everyone on the same circuit," and when you actually try making a phone call, everyone exchanges greetings brightly in standard language saying "Good day!" The townspeople all are close-mouthed to a one.

Town Keeps Silent

Lashed by a terrible wind, the children are shaking like leaves.

On the evening of 11 April, a general meeting was held of Kin-cho townspeople opposing live ammunition exercises. General meetings of the townspeople on base relations have been held since the general meeting of the townspeople in October 1988 in protest against the large amount of stray shells. Green headbands are prepared by the town office. Although a minibus goes around the town calling, "All you townspeople, please participate to make the general meeting a success," the gathering was poor. It was announced that 1,100 people participated, but half were middle school students led by their teachers. The townspeople were surrounded by television cameras in a corner of the huge town-managed grounds.

"I don't know what to do with this television coming here. I'm somewhat bashful," says a man smoking a cigarette.

A guilty verdict just had been handed out in the case of the former mayor who received a bribe of 2 million yen from resort developers planning to use the former site while he demanded partial return of Camp Hansen from the government 1994, and a tense atmosphere wafted. The election of ward administrative committee members also is close at hand. There are

48 ward administrative committee members in this town. Worrying about landowners who are the source of capital, they falter in their speeches since they are conscious of the television cameras. They are saying that the base is the "enemy." Always in a linen suit, the ward headman of Kin Ward is sitting as if he is trying to get mixed in with the townspeople and does not get up on the podium for some reason.

Wearing a headband, the mayor shouts set-formula slogans of "miserable war," "peace," "sacrifice," and "My heart is really pained when I look at the mountains," and reads aloud the essays of primary school students. The Okinawa antibase movement always inserts essays by children in between slogans.

The chairman of the Kin-cho Land Used By Military Landowners Association somewhat stumbling, stands up at the podium and makes this speech.

"We have sustained considerable harm from the U.S. military. Various harm is sustained outside the base. We would not say anything if it were inside the base, but we cannot tolerate this much harm outside the base. We certainly have provided that inside the base, but we cannot tolerate these many accidents outside the base. We would tolerate it if it were inside the base, but we cannot tolerate it outside the base."

He is an honest man to an absurd point, speaking of his true feelings using formal words.

It is ironic that the people who previously had their land seized are trying to defend the base while making grimaces.

During World War II, it was the "sacrificed stone" of the mainland, after the war there were U.S. military bases under the contradiction of the peace constitution and security treaty system, and now, it is an overly righteous fabrication of "quick return because of the anger of people in the prefecture." It is ironic because all the contradictions which Japan embraces have come to be cast aside in Okinawa for a long time.

"Don't have the strange sympathy of pitying Okinawa with the bases. The people of Okinawa duly are making plans behind the scenes while being submissive. It is like we intently viewed through a bamboo thicket the Japanese soldiers flee and U.S. soldiers land during the Okinawan War," says a man who is a landowner living near the fence. He was a salesman on the mainland before the return to the mainland, but he returned to Okinawa with an "allotment" since the military use land fee became sixfold after the return.

What will you do if it is returned?
"No, it absolutely will not. We are safe here."

There are return movements in various places, but...
"Those help us in a way."
Help you?

"That's right. If they are opposed to the bases, the lease fee will go up again."

Speaking thus, he had returned in an old jalopy that would only go at a speed of 40 kilometers an hour. Receiving a lease fee close to 5 million yen in the name of his parents, he rides around town in this car on purpose so as not to be conspicuous.

The day after the general meeting of the townspeople, both the U.S. and Japanese Governments agreed on the return of Futenma Air Station. The Sobe Communications Site also, to which Shoichi Chibana, the "hero" of the antiwar movement, had demanded admittance from the national government because of continuing illegal occupation, will be moved to this Camp Hansen.

The greatest taboo in this small town is not the base, but the little girl rape incident.

The little girl whose "rape" became known nationwide still is a primary school student.

"We should tell it like it is," says an old shopkeeper who is a temporary resident. "Like it is" means that regardless of whether bases are good or bad, it is enough to say there are bases.

Hidemine Takahashi, a nonfiction writer, was born in Yokohama in 1961. He is a graduate of the Mongolian Language Department at Tokyo University of Foreign Studies. He became a free lancer after working at a television program production company. [passage and table omitted]

Japan: Ikeda Gives Middle East Peace Commitment to Mubarak

OW2208114896 Tokyo KYODO in English
0937 GMT 22 Aug 96

[FBIS Transcribed Text] Alexandria, Egypt, Aug. 22 KYODO — Japanese Foreign Minister Yukihiko Ikeda on Thursday told Egyptian President Hosni Mubarak that Japan will work for the maintenance of peace in the Middle East, as well as support for Palestine, Japanese officials said.

Ikeda made the remark during a meeting with Mubarak in the Egyptian port city of Alexandria on the second day of a Middle East tour.

The officials said Mubarak told Ikeda that it is important for the administration of new Israeli Prime Minister Benjamin Netanyahu to take concrete steps toward the promotion of peace in the region.

Egypt is the first leg of Ikeda's trip to the Mideast, which will also take him to Syria, Jordan and Israel.

The last high-level Japanese Government official to visit the Middle East was former Prime Minister Tomiichi Murayama last September.

After arriving in Israel on Aug. 25, Ikeda will confer with Foreign Minister David Levy and pay a courtesy call on Netanyahu.

In the Gaza Strip, he will meet Palestine Liberation Organization leader Yasser Arafat, who heads the Palestinian self-rule government.

Japan: Israeli Premier Interviewed on Peace Process, Other Issues

OW2208142896 Tokyo NHK General Television Network in Japanese 1218 GMT 22 Aug 96

[Report on an exclusive interview with Israeli Prime Minister Netanyahu in Jerusalem on 22 August by an unidentified reporter — both speak in English with Japanese subtitles across the bottom of the screen; from "NHK News 9" program — recorded]

[FBIS Translated Text] Israeli Prime Minister Natanyahu was granted an exclusive interview to NHK in Jerusalem on 22 August. In the interview, with regard to tense relations with Syria, he said he is ready to discuss every problem, expressing hopes for the resumption of peace talks. In this way, he indicates a forward-looking attitude toward materializing peaceful relations with the Arabs.

[Begin recording] I had made an offer to Syria to resume peace negotiations at the (?White) Plantation in Maryland. I have yet to receive a response. I hope that we do. It is our intention to negotiate peace with Syria, and in fact to achieve peace with Lebanon as well. I am perfectly willing to discuss all the issues. We have a discussion that we want to make on Lebanon. The Syrians want to discuss the Golan. We should sit down and negotiate. I am not making any preconditions to this negotiation.

[Reporter] You seem to be very reluctant about meeting Mr. Arafat.

[Netanyahu] We definitely want to assist in stability and also the economic well-being of the Palestinians. This is a view I deeply hold. Obviously, all of this is subject to security. But I think that the important thing right now is to get the negotiations between the Israeli Government and the Palestinian authorities under way to continue the process. And the meeting between myself and Arafat will take place when and if there is a concrete result. [end recording]

On the peace process with the Arabs, Prime Minister Netanyahu repeatedly stressed that the security of Israel is most important, thus stressing that containment of the Palestinian extreme group's terrorist act holds the key to future peace. On his expectations on Japan, he said as follows:

[Begin recording] I think, on the whole, Japan's role is very positive. It is primarily in the economic field. I would like to see that strengthened, and I would like to see much more Japanese investment both in Israel, in the Arab countries and in joint projects. This would be highly welcomed. [end recording]

Prime Netanyahu is scheduled to hold talks with Foreign Minister Ikeda on 26 August. In the interview, he said that he places much hope on Japan that if invited, he wants to visit Japan by all means.

Tokyo To Send Fighter Pilots for Training in Russia

OW2308051096 Tokyo KYODO in English 0255 GMT 23 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 23 KYODO — In an unprecedented move, the Defense Agency plans to send fighter pilots to Russia to train with the country's mainstay Sukhoy-27 fighter starting next year, agency sources said Friday.

It will be the first time Air Self-Defense Force (ASDF) pilots have trained in Russia.

"The purpose is to study technology for aircraft development and to promote military exchanges," an agency official said.

The Defense Agency intends to dispatch several fighter pilots every year from fiscal 1997, which starts April 1, and to seek a budgetary allocation of some 50 million yen for the project next year alone, the sources said.

ASDF pilots will train at a private airfield run with permission from the Russian military, they said.

The Sukhoy-27, known as "the Flanker" in the west and developed in the Soviet era, serves as Russia's main fighter jet and is exported to China.

Japan and Russia have been promoting military exchanges since Defense Agency chief Hideo Usui visited Russia last April.

Japan: Former MITI Vice Minister on Economic Issues

OW2208104696 (Internet) Japan Economic Foundation WWW in English 22 Aug 96

[Provisional transcript of news conference with 11 unidentified domestic journalists by Yoshihiro

Sakamoto, former vice minister for international affairs of the Ministry of International Trade and Industry (MITI), at MITI conference room in Tokyo at 0610-0730 GMT on 9 August 1996; from the "What's New Link"]

[FBIS Transcribed Text] [Topics of Discussion]

I. Introduction of the Speaker and Briefing Status
II. Trends Toward Market-Economy Principles, Globalization and Regionalism
III. The Future Role of Bureaucracy in Japan
IV. The Future Role of MITI in Economic Revitalization
V. Japan-U.S. Trade Relations
VI. Japan-Indonesia Trade Relations
VII. WTO Trade Dispute Mechanism
VIII. Further Matters Relating to Japan-Indonesia Trade Relations

This provisional transcript is based on the professional interpretation into English of the speaker's remarks, which were made in Japanese.

I. Introduction of the Speaker and Briefing Status

[Moderator] Since it is time to begin, we would like to start the press briefing. It is alright for you to consider this briefing session to be on-the-record, and our speaker is former Vice Minister for International Affairs Yoshihiro Sakamoto of the Ministry of International Trade and Industry (MITI), who is currently the Special Advisor of MITI. He will be taking the floor to make a special presentation, which will be followed by a question-and-answer session. When addressing your questions, please make sure to state your name and affiliation. Mr. Sakamoto, please.

II. Trends Toward Market Economy Principles, Globalization and Regionalism

[Sakamoto] I would like to thank you at the outset for gathering for this briefing, despite the very hot weather today. During my one year and seven month tenure as the vice minister for international affairs at MITI, I did feel that I had a very valuable opportunity to have a very first-hand, close view of the tremendous changes we are experiencing in the global community. The greatest change that I did keenly sense during my term as the vice minister for international affairs is the fact that there is now a tremendous shift to the market-economy system for the entire world. This trend has seemed to gather momentum with the passing of time. If we look at the political domain, the close of the Cold War which occurred a few years ago, seems to be the contributing background factor. If we look at the situation from a regional perspective, as far as the Asian region is concerned, there has been a considerable expansion of its industrial progress, which has been accompanied by the emerging and rising weight carried by the voice and opinions of the respective leaders in the Asian region. As far as Japan is concerned, the first and foremost change that we have experienced in our country is the fact that the Japanese economy is now standing at a stage at which it is obliged to conduct restructuring after the collapse of the bubble economy. Therefore, the Japanese economy, in order to recover its vitality, will have to reform itself to a system of market economy. The country of Japan has reached a stage at which it is not only necessary, but also possible for Japan to conduct a consistent domestic, as well as international, policy in the economic and market-policies arena. If I may now look at Japan's relationships with the major industrialized countries, as far as Japan's relationship with the United States is concerned, we have encountered a variety of trade disputes. One major feature of Japan's relationship with the United States is the fact that we conducted a series of U.S.-Japan Framework Talks which was initiated on government procurement and auto and auto parts, which have been followed by color film, and the very recent negotiations on semiconductors which has just been concluded. As far as the debate in the area of semiconductors is concerned, with relation to the speech that I delivered at the Foreign Correspondents Club of Japan on 15 March, various people have come up with different interpretations and perhaps used the phrase that I had particularly used during my speech — that the era of bilateralism is over — and this has left some impressions on my part. Having said that, however, looking back at some of the trends that I have cited earlier, it is a sure fact that various countries around the world are now implementing policies which acknowledge the fact that there is now a global trend toward market mechanisms, and therefore, the respective industries are obliged to globalize themselves. And therefore, despite the fact that there is a variety of possible definitions for this current situation, overall, I do continue to have the firm conviction today that bilateralism is over.

If we look at the general issue regarding industrialized countries at large, including the European countries, as was taken up as the major theme at this year's Lyon G-7 Summit, that globalization would bring about both positive and negative effects on the respective industrialized economies, and the industrialized countries are obliged to come up with various solutions to how they would cope with such positive and negative implications. This is indeed one of the major themes today, and which will continue to be an important theme for the future. If we take a closer look at this particular issue, needless to say, among the positive aspects, we can cite the fact that the respective countries are now riding the wave of technological innovation to multinationalize their corporate activities, and therefore, corporate activities will be able to transcend borders and become active in a borderless playing field. It is necessary for us to solidify the basis for such multinational activities to take place. Of course, with this rapid industrialization of the developing countries, there could be a possible negative impact on the employment situation, and therefore, we also need to shift to and create an information society to avoid such possible negative effects. The value system for such an information society should, of course, be different value systems that prevailed under the industrialized society. I am firmly convinced that we should try to pursue the dual tract [as received] of this technological innovation and the shift to an information society in order to ascertain employment for the future. Another characteristic of recent years that we should not overlook is the fact that regionalism has become increasingly fashionable and has been frequently used as a medium for achieving liberalization as well as expansion of markets. Concerning regionalism, as far as Japan is concerned, we are a member of the Asia-Pacific Economic Cooperation (APEC), and if we look at the North American Continent there is the North Atlantic Free Trade Agreement (NAFTA), Mercosur in South America, and there is the widening of the EU for the European continent. It seems that the respective regional arrangements are giving mutual favorable stimulation. I feel that now we are moving toward a favorable and correct direction. However, since this has to do with the economic system, when major changes occur in the economic environment, at some point in the future, there is no guarantee that there could be potential negative effect from the trend of regionalism. Therefore, we have to pay attention to the World Trade Organization (WTO), which is the international organization existing above the trend of regionalism. Also, we need make sure that the WTO in itself, as well as the thinking of the respective members of the WTO, moves toward free trade. This is a mechanism which will be required to ensure that there will be no potential negative impact from regionalism in the future. I have tackled various issues during my previous post which I have personally enjoyed very much. In the future, we can expect the issue of China to loom large. Also, another major issue, as I have mentioned, would be how we can minimize the possible negative factors concerning the trend of globalization. In this context, there are four new issues of the WTO among which I feel the issue of trade and competition is of particular significance among the industrialized countries which will be increasingly interesting and worth addressing in the future. Therefore, the world at large will have to tackle such new issues. On top of that, there is the issue of regulatory reform which Japan has proposed to the OECD, as well as to G-7 Summit. The role of respective governments in the future will be to facilitate international activities of private enterprises in line with the transformation to the market mechanism for the global economy at large. Thank you very much.

[Official of the International Trade Policy Bureau] Are there any questions, please?

III. The Future Role of Bureaucracy in Japan

[Reporter]: What kind of role are you going to have as a special advisor for MITI? That is my first question. Secondly, what is your view about the amakudari — golden parachute? Lastly what do you think about the recent government's proposal for reducing the number of its entrants by 30 percent from 1998 or sometimes? I am hearing that from next year there is concern that it will only be 10 percent.

[Sakamoto] I regard the post of Special Advisor to be that of providing my personal opinion, if and when my opinion is solicited by someone. If a special mission is given to me, I would happy to execute any such missions. As far as I am concerned, I do not have particular tasks that I would like to execute in the post of Special Advisor. Therefore, I regard this post as being a passive one rather than being a proactive one. I do not have any direct views on the issue of a golden parachute, the golden descent from heaven, but I would like to take this opportunity to voice some opinions concerning this particular phrase, amakudari. Ever since a few years ago, I have had a very high level of personal interest toward the question of what kind of a role bureaucracy should play in Japan in the future, and whether bureaucracy will play a role of leadership in Japan in the future. The various systems existing now within Japanese society are now 50 years old.

Therefore, if you look at the political domain, a certain self-adjustment has been taking place since a few years ago in order to cope with various changes which have occurred in the reality of the political world. If you look at the business community in line with the tremendous changes occurring in the global economy and the restructuring taking place in the Japanese market, as I described earlier, has obliged the Japanese community to pursue restructuring starting a few years ago. We cannot contemplate a situation in which bureaucracy alone can avoid conducting such a restructuring process, and the bureaucracy should not avoid conducting such a restructuring. The various allocation of work amongst different government ministries and agencies have been conducted according to the political and economic realities that existed half a century ago, and therefore the current allocation of tasks amongst the ministries will have to adjust to the new economic and social realities currently existing, and also should try to reshuffle itself so that it will be able to cope with the potential economic changes which are expected to occur in the coming one or two decades. In addition, there is the chronic fiscal deficit which is on the social agenda and is common to various industrialized countries. This situation is also prevailing large for Japan. Therefore, Japan will have to try to cope with the situation by trying to reduce the size of its administrative organization, and also by having a thorough scrutinizing of conventional expenditure items. In that sense, it is a natural choice for Japan to try to aim for a small government. On the other hand, it is strictly my personal opinion, but I continue to believe that it will be necessary for any country to try to devise a system in which it will be able to continuously supply high-caliber human resources to central bureaucratic organizations, if we look back at past history, and we also look at the overall situation, taking into consideration the various differences amongst countries. Of course, there are various different systems existing in the world, for example in the United States, under its Presidency, and also the system of political appointees, there is a mechanism which sends high-class human resources to central government. And, in the United Kingdom, under its parliamentary system, it has its solid bureaucratic system. And, in France, their bureaucracy tends to be quite powerful. But, it seems that all of these systems have the common feature of providing the incentive as well as the leadership required to continue to send talented human resources to the central government. And, I believe that this essential requirement will continue to prevail in the future. If we look at this issue of amakudari — the golden parachute — from such an angle as the requirement of maintaining the size and quality of the bureaucracy at the same time that we need to reduce the fiscal burden as much as possible, we need to take into account the fact that we must create an environment where the bureaucrats do not have a sense of insecurity toward their future livelihood, and we should try to get a certain guarantee that ex-bureaucrats will be able to at least enjoy life as ordinary citizens, as far as living standards are concerned. I think perhaps that such a reconsideration of amakudari, including such perspective, would perhaps cover the issue of the pension system for the bureaucrats. If we look at the economic realities of today, of the state of the situation for the government, as well as the state of the situation for private companies, I think the days are long past during which there were clear incentives and advantages in recruiting old boys of the central government, including the old boys of MITI. In that sense, there no longer exists that sense of mutual dependence that used to exist in the past. If we try to accelerate this trend, then this will lead to a situation in which bureaucrats would further withdraw from the marketplace, and that should indeed be the trend. For instance, private companies should be able to arrive at their own judgments on the merits and demerits of accepting old boys of MITI, as well as other government ministries. Therefore, despite such reconsiderations, if a private company decides to accept an ex-government official in that company, perhaps that shift will not longer be addressed by the term amakudari — the golden parachute — and therefore, this trend may no longer carry the negative connotations which are currently carried by amakudari — and such a day is bound to come at some point in the future.

IV. The Future Role of MITI in Economic Revitalization

[Reporter] I have two questions, really. You say that the bureaucracy should not try to avoid restructuring, but can the bureaucracy really afford to step away from this process? It seems to me there is a kind of mis-match. Japanese companies are investing offshore at a very rapid rate, caused by endaka [stronger yen], etc. The structural changes that are really needed in Japan to stop this process — reducing costs, etc. — are going to take quite a long time. Isn't there a kind of dangerous mis-match here that might cause the Japanese economy to stagnate? Possibly, unemployment will rise, with a possible increase in labor militancy and so on. In other words, can MITI really step away from this process and just let the market operate freely, or will there have to be consultations with industry over the rate at which they continue to shift overseas?

[Sakamoto] I agree with you wholeheartedly, Mr. Rowley, about the changes in the economic reality. If MITI ever attempts to try to extend its hand to such transformations taking place, that should coincide with the timing in which the very survival of MITI will be jeopardized. MITI should observe such changes from a step backward and also restrain itself from extending its hand to them, despite some of the pains and torment MITI might feel. And, unless MITI is able to do so, MITI's activities will carry negative impact on the Japanese economy. If I may directly respond to the point that you have raised in your question about the possibility of slowing down the pace of overseas investment by the private sector, MITI is not in a position to consider such a possibility, and even if MITI passes its judgment that it should try to smooth down this pace, MITI does not have the capacity to materialize this. We would have to try to create a mechanism which would make

Japan, as an economic playing field, more attractive for corporate activities. For instance, any unnecessary government regulations on the market should be thoroughly eliminated, expeditiously. And, by doing so, we should try to modify the high-cost feature of Japanese society. And, we should also try to gradually reduce the corporate tax rate, or the general tax burden on companies, which seems to be higher compared to other countries. Therefore, we should do away with the mentality of capital nationality, and irrespective of the nationality of companies, we should try to provide a place in the Japanese economy — we should facilitate activities by such companies and this should be the means to ensure expansion of employment, as well as rectifying the high cost structure of Japan. Within that process, we will probably not be able to avoid a temporary upsurge in the unemployment rate, but unless we go through this process, no prospects will open up for the future of Japan.

V. Japan-U.S. Trade Relations

[Reporter] There has been a lot of publicity recently about Japan's growing preference for multilateralism. I wonder if you feel at all that U.S. trade policy toward Japan has changed? And, I am curious what you think drives this trade policy toward Japan — whether revisionism is still a gathering force, or whether you agree, as you say, that the government is just basically responding to pressure from specific industry groups?

[Sakamoto] As far as my thinking goes, as far as bilateralism is concerned, there will continue to exist the need for bilateral trade negotiations in the future. For example, if there exists certain government regulations or certain other types of market barriers which are unique to either Japan or any other countries, then the message of protecting bilateral talks continues to be effective in the effort to eliminate such barriers. For instance, certain demands that the United States has made on Japan in the past and which will continue to be made in the future as well, I expect, have had and will probably have tremendous benefits to Japan. For instance, the Structural Impediments Initiative Talks (SII Talks), which were conducted toward the end of the Republican administration in the United States, has had considerable benefits and contributed to the transformation of the Japanese market structure, as well as the thinking lying behind its market structure. Amongst some of the people who call themselves revisionists, there are people who insist that because Japan is heterogeneous compared to other countries, and since the Japanese market is unique, they should try to adopt rules which apply only to Japan. I myself oppose, and am not able to accept such thinking of certain revisionists. It is true, as we have conducted the framework talks in trying to deal with a variety of issues existing between the United States and Japan for three years, that certain differences in thinking between the U.S. Government and the Japanese Government have come to the surface. But, if there are attempts to try to address through a bilateral approach, certain sectors in Japan, such as autos and auto parts, or semiconductors, or color photographic film, in which there exists no government regulations, nor any market barriers, then such a bilateral approach will not be able to win the sympathy of the international community, since these market sectors are characterized by the globalization of these industries. There were certain misquotes from my speech delivered on 15 March that I said something to the effect that bilateral talk is over or that bilateral arrangements are dead. But, if you closely read copies of my speech, what I did say was that the era of bilateralism is over for globalized markets, and therefore, I am going to urge you to avoid making any distorted interpretations of my speech. Lastly, if the approach that the United States is contemplating, vis-a-vis Japan, includes taking a bilateral approach as the only possible means, even in such industrialized areas which have been globalized — if that is the case, then such an approach will not be acceptable to Japan, nor to the world at large. However, the revisionist type of thinking which exists in the background to such a possible approach by the United States, seems to fade in terms of its existence.

VI. Japan-Indonesia Trade Relations

[Reporter] Mr. Sakamoto, now that you have stepped down as vice minister, I believe you will speak freely and in a more relaxed way. I want to ask a very simple question. Just recently, you filed a suit over the Brazilian automotive problem. So, when will you file a suit for the Indonesian auto problem?

[Sakamoto] On that particular point, despite that fact that I am Special Advisor now, since I still belong to MITI, I am not able to speak so freely about this subject. Having said that, however, I should mention that this national car concept of Indonesia's has been a big surprise to us. I feel that it is regrettable that Indonesia has taken this choice in its policy, which is not conducive to the future objective of the dynamic activities of the APEC, centering around the Association of Southeast Asian Nations (ASEAN) countries. We are having bilateral dialogue with the Indonesian Government on this question, to try to hear out how the Indonesian Government will try to explain itself in view of the WTO rules, as well as the APEC guidelines. I am sure that in due course of time, the Indonesian Government will be able to come up with a good solution to this problem, but I will not be able to comment on what kind of an immediate response or action that MITI intends to take.

VII. WTO Trade Dispute Mechanism

[Reporter] Two questions — first, I would like to know if you have any plans of perhaps serving as a lecturer at any academic institution, or researcher? Secondly, during your tenure, most of the U.S.-Japan disputes that came under MITI's portfolio were dealt with in one way or another — at least a conclusion was reached, except for the film issue. I am wondering what you think the prospects are for Japan to win in the WTO, and if Japan loses, whether you are concerned that this will set a bad precedent.

[Sakamoto] Concerning your first question as to whether I have any plans to serve as a lecturer at some academic institution or not, I do not feel I have the substance that will be required for me to teach or lecture students. But, as a personal desire on my part, I would like to have an additional opportunity to study international relations, both including the economic and political aspects, by working for a certain research institute, in particular an overseas research institute. Concerning the debate ongoing at the WTO on color photographic film, taking an overall look at the debate being conducted at the WTO, I do not feel that this is a case in which Japan will lose very easily. Having said that however, if the final ruling of the WTO happens to be against Japan, then I for one feel that Japan should try to change the system concerned, in line with any conclusion reached at the WTO. It is not an easy task, from a political perspective, to try to change any irrational system on the domestic front — for any country. Therefore, if an impartial and neutral organization like the WTO — can step into the picture and pass a judgment with an international yardstick about the rationality of the respective systems, and change such systems, this will serve to the advantage of not only that country, but the world at large.

VIII. Further Matters Relating to Japan-Indonesia Trade Relations

[Reporter] I have a question on globalization which is strictly hypothetical, but if any advances in globalization may carry certain negative restraints for the gross potential and the competitiveness for a certain country's enterprises, and if that country decides to pursue trade policies which are inconsistent with international standards, for a certain period of time under set conditions, do you think that that should be allowed or not? And, if you feel that that can be allowed, what would be your opinion with regard to the Indonesian case on cars?

[Sakamoto] That is a good question, and therefore difficult to respond to, but I for one believe that we should allow certain developing countries, during certain developmental stages, which may not be consistent or conducive to the WTO rules or any other international rules. How I look at the case of the Indonesian national car concept, from my position, is that it would be difficult for me to state whether this is acceptable or not at this stage in time, but if in the case we should allow certain policies to be adopted as a temporary or provisional measure, at least it will be required for prospects to be confirmed for this country, for Indonesia, to come up with policies consistent with WTO or any other international rules at a set point in the future.

[Official of the International Trade Policy Bureau] If there are not any more questions, we would like to conclude the press conference by former Vice Minister for International Affairs Sakamoto. Thank you very much.

Japan: Effectiveness of BOJ Law Review Under Question

OW2208112496 Tokyo KYODO in English 0941 GMT 22 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 22 KYODO — An ongoing review of the 1942 Bank of Japan (BOJ) law may not result in clarifying whether the central bank or the government should take the initiative in conducting Japan's monetary policy, the head of a special government study group said Thursday.

"Uniformly reasoning out fiscal and monetary policy may derail reality," said group head Yasuhiko Torii, president of Keio University, in talking to reporters after the panel held a second session at the prime minister's official residence.

Coordination between policy measures to be taken by the BOJ and the government is necessary, but it is also worth noting that Japan has managed the 1973 shift from a fixed exchange rate system to a floating exchange rate system and the 1985 plaza accord without amending the old law, he said.

Governmental discussions about revising the BOJ law were held twice in the past but failed to reach conclusions due to disagreements over the relationship between the BOJ and the Finance Ministry.

The BOJ law, drawn up during World War II, gives broad authority to the Finance Ministry, and critics say it leaves the BOJ less independent than its U.S. and German counterparts.

Thursday's session mainly focused on obtaining details from BOJ and Finance Ministry officials on two aborted efforts in 1960 and 1965 to review the law and Japan's monetary policy since the 1970s.

The group commissioned by Prime Minister Ryutaro Hashimoto will hold a third session Monday to further listen to presentations from experts so that they can start discussing later how to concretely review the law, Torii said.

The team kicked off debate July 31 on a wholesale revision of the law in an effort to increase the central bank's independence, aiming to map out a recommendation report as early as October.

Japan: Top EPA Official Says BOJ Unlikely To Change Policy

OW2208115596 Tokyo KYODO in English 0838 GMT 22 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 22 KYODO — The Bank of Japan (BOJ) appears unlikely to change its easy money policy for now, a senior government economic planner said Thursday.

Although international coordination of monetary policy is increasing, the central bank will decide on its policy based on conditions in Japan, Shimpei Nukaya, vice minister of the Economic Planning Agency (EPA), said at a press conference.

Nukaya made the comment in reference to the U.S. Federal Reserve Board's decision Tuesday to leave its key short-term interest rate unchanged.

The EPA expects the BOJ to push ahead with its avowed policy of cementing the foundation of a recent economic recovery, Nukaya said.

Japan: Planned Capital Spending Down at Smaller Firms

OW2208115896 Tokyo KYODO in English 1105 GMT 22 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 22 KYODO — Combined capital spending initially planned by small and medium-sized enterprises in the commercial sector for fiscal 1996 is down 18.8 percent from actual spending the previous year, while that by such firms in the services sector is 2.4 percent down, a government agency's survey showed Thursday.

For fiscal 1995 which ended last March, capital expenditures by the commercial sector fell 0.7 percent from the year before for the fifth consecutive year of year-on-year fall.

In contrast, the services sector saw a 1.9 percent rise for the second straight yearly rise.

The survey, carried out in June, covered 27,000 smaller companies throughout the country. Of those, 35.9 percent responded.

"Capital spending by smaller busineyses is recovering modestly but remains lackluster," said an agency official, referring to the fiscal 1996 capital spending plan.

In the commercial sector, combined spending planned by wholesale businesses for fiscal 1996 is down 18 percent on weaker demand for equipment, and food and beverages, while that by retailers is 19.6 percent down, the agency said.

As for services, information service and entertainment-related firms have plans to boost such expenditures, while automobile maintenance and equipment-leasing businesses have lower spending plans, it said.

Japan: MITI Plans Relief Measures for Troubled Gas Stations

OW2208110996 Tokyo KYODO in English 1008 GMT 22 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 22 KYODO — The Trade Ministry will adopt a package of relief measures for gas stations hit hard by gasoline price falls resulting from Japan's liberalization of petroleum product imports, ministry officials said Thursday.

The ministry will seek an appropriation of 7.9 billion yen under the fiscal 1997 state budget to finance the package, the officials said.

The relief package planned by the Ministry of International Trade and Industry (MITI) and its agency of natural resources and energy includes financial support for gas stations planning to change business or diversify operations.

For example, it would cover 80 percent of costs needed to get rid of underground storage tanks and other facilities for the closure of a gas station, the officials said.

Without the removal of facilities, which currently costs an average 10 million yen, the station usually cannot sell the land.

MITI plans to set aside 6.89 billion yen for the support program which would apply to small gas station operators capitalized at less than 10 million yen or employing no more than 50 workers, the officials said.

The package would also provide a gas station with funds equivalent to 3.5 percent of interest it would pay on loans to finance its diversification move, such as building a convenience store within its compound.

MITI plans to continue the interest payment support program for five years and spend up to 600 million yen each year, the officials said.

According to oil industry officials, increasing competition and falling gasoline prices since the import liberalization of petroleum products in April are expected to reduce the number of gas stations in Japan to between 40,000 and 50,000 in the future from the current 60,000.

Japan: Article on 'Vague Classification' of Defense Papers

OW2208113196 Tokyo MAINICHI SHIMBUN in Japanese 19 Aug 96 Morning Edition p 26

[Part 7 of 9-part series entitled "Military Bases and Information Disclosure" by MAINICHI SHIMBUN special reporting team; this installment entitled "Vague Classification: Yardstick To Measure Quality of Secret Papers Varies Depends on Defense Authorities' Convenience"]

[FBIS Summary] The article notes there is no clear yardstick to classify defense-related documents, saying there is a wide gap between Japan and European nations and the United States in information disclosure about arms. Citing a 1987 theft case in which four military employees at Yokota Air Base were arrested for stealing technical orders for F-15 fighters and handing them over to Russian Embassy staff, the article points out that the documents can be obtained at stores in the United States and are not confidential. The article discusses the changing attitude of the defense authorities toward information disclosure, quoting a TV reporter who persuaded a Defense Agency chief to open the Self-Defense Forces' [SDF] Hyakuri base to the public in 1993 as saying it would be more difficult to win the citizens' understanding of the SDF if the defense authorities continue to hide information. However, the article notes facilities of the U.S. Forces in Japan are wide open, noting that fighters were opened to the public.

The article discusses the defense authorities' closed attitude toward the mass media, saying the defense authorities refused to open documents related to the SDF's disaster-relief activities for victims of the earthquake in 1995 on the grounds that "they are internal documents," despite the fact that the documents were opened to a private research organization. The article says "the reason they 'cannot open the documents' is not clear," noting that the yardstick for information disclosure is vague.

Japan: Article Discusses How DA Handles Secret Documents

OW2208115296 Tokyo MAINICHI SHIMBUN in Japanese 20 Aug 96 Morning Edition p 26

[Part 8 in 9-part series entitled "Military Bases and Information Disclosure," by MAINICHI SHIMBUN special reporting team; this installment entitled "Secret Papers Eventually Shredded; They Are Not Considered 'People's Assets'"]

[FBIS Summary] Part 8 of the series continues to discuss how secret documents related to defense are handled, explaining how defense-related documents are classified. The article says there are two types of confidential documents held by the Defense Agency [DA] — the U.S. military-provided "defense secrets" related to arms and "secrets designated by the DA," noting that they are sorted into "classified," "top secret," and "secret," in order of importance. The article reveals there are 144,292 defense secrets and 1,804,241 secrets designated by the DA as of late 1994. The article goes on to say: "According the DA, a defense secret comes to be unclassified when so directed by the U.S. military side. The DA-designated secrets are 'shredded' or become 'unclassified.' When a custody period expires, secret documents are subject to shredding. There are many confidential papers related to bidding and contracts and to the DA's decisionmaking process. Without becoming 'unclassified,' they are shredded — floppy discs are smashed by a hammer and burned up." The article notes that those which have become unclassified are shredded after a certain custody period.

However, the article points out that the yardstick for deciding what is classified or unclassified is unclear, citing remarks by former members of the Self-Defense Forces [SDF]. The article then quotes a military affairs critic as saying it is a democratic nation's principle to open information after a custody period and criticizing the DA for failing to recognize that official documents are the people's assets. The article says the DA building is scheduled to be relocated to an SDF base in Ichigaya, Tokyo, by around the year 2000, and there is concern that defense-related documents may be disposed of in bulk when the DA building is relocated.

Japan: Daily Says Wartime Papers Still Closed to Public

OW2208134096 Tokyo MAINICHI SHIMBUN in Japanese 21 Aug 96 Morning Edition p 26

[Part 9, last in series entitled "Military Bases and Information Disclosure," by MAINICHI SHIMBUN special reporting team; final article entitled "Lesson

Not Learned From History; Imperial Army's Documents Regarded as 'Personal Files' and Not Opened To Public"]

[FBIS Summary] The final part of the series discusses how the Defense Agency [DA] handles documents of the former Japanese Imperial Army, saying people have no choice but to deepen their concern over hidden information when they see how the old documents are treated.

The article says that in response to historians' requests for disclosing classified war diaries written by Army officers, the National Institute for Defense Studies, which has the old documents in its custody under the DA, turned down the requests "on the grounds that 'they are like personal documents, and the handling of them is decided in accordance with the will of the then officers or their family members if they are dead,'" noting that about 40 documents have been opened so far, out of about 3,000 items. The article says that the institute intends to open the documents to the public but has no idea when.

The article then cites the U.S. Government's position on information disclosure, briefly touching on President Clinton's attitude toward it. To conclude the serial article, the final part says, "It is said the people who do not learn a lesson from history will repeat the same mistake. Most of our history is still behind closed doors."

Japan: SDP Group Backs New Party Proposed by Sakigake's Hatoyama

OW2308054196 Tokyo KYODO in English 0518 GMT 23 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 23 KYODO — A new party proposed by New Party Sakigake [Harbinger] Chief Secretary Yukio Hatoyama got support Friday from a group within the Social Democratic Party (SDP).

"It will be more easily understood by the public if a new party consists of lawmakers who decide to join it on their own," said Akihiro Ohata, leader of the Liberal '96, a small group of SDP members.

Ohata was speaking at a press conference about the proposed new party, which Hatoyama aims to form next month with lawmakers recruited mainly from Sakigake and the SDP.

Sakigake and the SDP are part of the ruling tripartite coalition led by Prime Minister Ryutaro Hashimoto of the Liberal Democratic Party.

Hayoyama and six other legislators, including Kunio Hatoyama, a brother of Hatoyama and member of the main opposition Shinshinto (New Frontier Party), have agreed to form the new party and expect some 25 lawmakers to join it.

But they have yet to reach a consensus on whether to allow all members of Sakigake and the SDP to join the new party, even though Sakigake chief Masayoshi Takemura wants to see his party to change itself into a new party, possibly with some elements of the SDP.

Hatoyama and his colleagues want Hajime Funada, a Shinshinto lawmaker, to join the new party but Funada opposes doing so if the party includes Sakigake chief Masayoshi Takemura and SDP chairman Tomiichi Murayama.

Meanwhile, Kunio Hatoyama of Shinshinto abruptly canceled his attendance Friday at the opening ceremony of a new campaign office being set up in Tokyo for the next general election.

Hatoyama serves as chief of the office, thereby spawning speculation among Shinshinto members that he is about to leave Shinshinto for the proposed new party.

An aide to Funada said Funada has yet to decide whether to join the new party, which political analysts say could have an impact on the next general election for the House of Representatives.

The next election is not mandated until next July, but Hashimoto has authority to dissolve the Diet for a snap election.

Japan: Kajiyama Hopes New Party To Reinforce Ruling Alliance

OW2308050196 Tokyo KYODO in English 0324 GMT 23 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 23 KYODO — The government's top spokesman expressed hope Friday that the drive to form a new party led by a politician in the smallest of the three ruling parties will strengthen the coalition.

"I understand and hope that the move will further reinforce the alliance of the three parties. I hope it will be carried out smoothly to boost public trust in politics," Chief Cabinet Secretary Seiroku Kajiyama told a press conference.

He was commenting on the move by Yukio Hatoyama, chief secretary of New Party Sakigake [Harbinger], to form a new party in September with several other politicians, including those from the coalition partner Social Democratic Party (SDP).

Sakigake, the SDP and prime minister Ryutaro Hashimoto's Liberal Democratic Party, which Kajiyama belongs to, constitute the ruling coalition.

Japan: Shinshinto Calls for Kato To Resign as Diet Member

OW2308111996 Tokyo KYODO in English 1034 GMT 23 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 23 KYODO — The main opposition Shinshinto (New Frontier Party) on Friday called on Liberal Democratic Party Secretary General Koichi Kato to resign from the House of Representatives over a donation scandal.

Shinshinto issued a statement after an executive meeting, urging him to step down as a parliamentarian and saying his actions are tantamount to "the desecration of our country's parliamentary democracy and the constitution."

Kato did not file an appeal to a higher court against a ruling on July 30 by the Tokyo District Court, which ordered him to pay 1 million yen in damages to a former head of his support group, Shigenori Mizumachi.

Mizumachi had filed a libel suit over remarks made by Kato in the Diet. Kato did not respond to the suit and has paid the money.

In Diet testimony on June 4, Kato denied taking a 10 million yen donation from a now-defunct steel-frame maker, Kyowa Co., and claimed that Mizumachi or someone else in his support group might have taken the money.

Kyowa was a debtor to failed mortgage companies known as "jusen," which are to be liquidated under a government plan using tax revenues.

In a related development, the party also repeated its request with the House of Representatives secretariat to convene the political ethics examination committee to have Kato testify over the scandal.

Shinshinto Secretary General Takeo Nishioka told reporters the committee must be convened despite the Diet not being in session to look into suspicions that Kato took a questionable donation from Kyowa.

Japan: Government To Specify Jobs Not Open to Foreigners

OW2208111096 Tokyo KYODO in English 1049 GMT 22 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 22 KYODO — The Home Affairs Ministry will specify what kind of public service jobs non-Japanese employees should not do, in response to requests by local governments moving to hire foreigners, ministry sources said Thursday.

The central government has had a policy since 1953 that "public servants involved in wielding administrative authority or creating the will of the general public must be Japanese nationals," but has not given any example of jobs which fall under into a category.

In recent years, more municipalities have come to question the policy which restricts foreigners from becoming public servants, and have asked the ministry to give concrete examples, the sources said.

The ministry will give examples of such jobs, which may include those of quarantining people with contagious diseases, deciding on city development projects and levying taxes, to local governments by the end of this fiscal year, which ends March 31 next year, the sources said.

The decision by the ministry follows the announcement in may by the city of Kawasaki, bordering Tokyo, that it will scrap the so- called nationality requirement for city office employees starting with this year's exams.

The Kochi prefectural government and the city of Osaka in western Japan in April shelved plans to scrap the requirement, apparently under pressure from the ministry.

The prefectural governments of Kanagawa, Yamaguchi and Fukuoka, as well as the city of Sapporo, have also started to discuss the possibility of employing foreigners for certain types of jobs.

The cities of Osaka, Kobe and Yokohama have set up new jobs requiring technical knowledge to hire foreigners.

The ministry approves local governments hiring foreigners for such jobs.

Japan: LDP To Discuss Administrative Reform in Fall

OW2208124096 Tokyo KYODO in English 1222 GMT 22 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 22 KYODO — The Liberal Democratic Party (LDP) will begin full-scale discussions on administrative reform, including organizational changes to the Finance Ministry, in September, party sources said Thursday.

With general elections ahead, possibly as early as the fall, the largest of the three ruling parties wants to counter perceptions that it is cautious about reform, analysts said.

The opposition Shinshinto (New Frontier Party) and other rival parties have made administrative reform their key policies.

Among reform proposals being considered by the LDP is to group the Management and Coordination Agency, the Economic Planning Agency (EPA) and the Finance Ministry's budget bureau into a separate agency reporting to the prime minister.

Some are even calling for closing down the EPA, the national land agency and other agencies with coordinative functions.

Others argue that this would create confusion, the party sources said.

Prime Minister Ryutaro Hashimoto, who heads the LDP, is said to be ambitious about administrative reform. He has told Taku Yamasaki, chairman of the party's policy affairs research council, to tackle the job side by side with fiscal reform.

The prime minister is "very interested" in the idea of taking over budgetary control from the Finance Ministry, a senior member of an LDP group promoting administrative reform said.

The Finance Ministry is dead set against giving up budgetary functions. "The ministry withstands the thankless job of collecting taxes because it has the budget bureau," a senior official said. "It will not do the job if it loses the functions of the bureau."

LDP members do not unanimously support the idea, either. "Moving budgetary functions to the prime minister means politicians will be in charge of budget distribution, which could stir up public concern," a party member said.

The party's reform task force calls for reforming the Finance Ministry in tandem with consolidation of government ministries and agencies, an argument indicative of the willingness to break up the ministry's vested interests.

But concrete ideas for such reform are "still nebulous," a senior task force member said.

The LDP was perceived to be lukewarm about Finance Ministry reform when senior party executives voiced opposition to draft proposals by Shigeru Ito, a senior Social Democratic Party member who heads a coalition task force on the issue.

The proposals included a call for spinning off the ministry's inspection capacity into an independent organization in the wake of the Daiwa Bank scandal and the fiasco surrounding failed "jusen" housing loan companies.

Some party members are developing a sense of crisis about public image. "We will not be able to compete in general elections if an impression takes hold that the party is unenthusiastic about administrative reform," an LDP parliamentarian said.

North Korea

DPRK: Spokesman on Some U.S. Forces' 'Slandering' of DPRK

SK2308102796 Pyongyang KCNA in English 1004 GMT 23 Aug 96 —Official DPRK news agency

["Foreign Ministry Spokesman on DPRK-U.S. Relations" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 23 (KCNA) — The spokesman of the DPRK Foreign Ministry in an interview with KCNA today criticised some forces of the United States for slandering the DPRK and seeking sinister political purposes in the on-going presidential election campaign.

He told KCNA:

Amidst presidential election campaign in the United States, some forces are trying to improve their image by slandering the DPRK.

They promise they will suspend the supply of heavy oil and light- water reactors to the DPRK and stop the implementation of the DPRK- U.S. framework agreement and the process of improvement of bilateral relations on the pretext of "terrorism" and "U.S. POWs and MIAs" problems.

This is as good as telling the DPRK to suspend the nuclear freeze promised in the framework agreement and do anything at will.

If the framework agreement is so troublesome to the United States and its breakdown is in the U.S. interest, we do not feel like opposing their opinion. To tell the truth, we have these days pondered over whether our continued implementation of the agreement with the United States will be beneficial to us.

We did not sign the agreement with the U.S. two years ago only because we had no other alternative.

We make it clear that we will make joint efforts with the U.S. administration that is willing to implement the agreement, and not with any administration that is not willing. Even if the agreement ends in a failure as wished by some forces of the United States, we have nothing to lose.

On the contrary, we will continue to develop our independent nuclear energy industry in reliance on our own fund, technology and raw material, free from any restriction.

Some leading politicians of the United States raise unreasonable pre-conditions and threaten to suspend all negotiations with the DPRK including the "four-way talks." If it is true, we do not think it bad.

We still have doubt about the "four-way talks" the purpose and content of which are not clear, and we are not much interested in it.

As we have declared more than once, the feasible way of achieving a lasting peace and security on the Korean peninsula is to conclude a tentative agreement between the DPRK and the United States at an early date as we proposed.

The same is the case with the joint exhumation of U.S. remains, one of the pending issues between the two countries.

Through the first joint exhumation, we experienced that this work is very complicated and requires much labor.

However, we are striving to resolve this issue from a noble humanitarian stand, though hostile relations still remain between the two countries.

If our effort makes the United States feel uncomfortable, we will stop it right now.

Who will "win" in the forthcoming presidential election in the United States is not our concern. But we think those who mind others' business for their own sake deserve criticism.

DPRK: ROK's 'Ulchi Focus Lens' Military Exercise Denounced

SK2308005996 Pyongyang Radio Pyongyang in Korean 0900 GMT 22 Aug 96 — North Korean radio targeting South Koreans and Koreans in Japan (to South Korea)

[Unattributed talk from the "Program for Officers and Men of the South Korean Army": "Dangerous Playing With Fire Aimed at Northward Invasion"]

[FBIS Translated Text] You, officers and men of the South Korean Army: Today, the Kim Yong-sam puppet clique, challenging the unanimous desire of the nation to realize the reconciliation and unity of the nation and to achieve the cause of national reunification as soon as possible, is frantically playing with the fire of war and extremely tightening the situation of the nation.

As you all know, the Kim Yong-sam puppet clique on 19 August began the adventurous Ulchi Focus Lens-96 joint military exercise aimed at the northern half of the Republic.

The rascals babbled that this exercise, designed to cope with the so-called urgent situation and disaster, will be staged throughout South Korea in an atmosphere of real war by mobilizing forces from the military and government, as well as the civilian sector.

What is more grave is the puppets' gibberish that through the current Ulchi military exercise, the South Korean people should renounce the sentimental unification theory and enhance a sense of vigilance against North Korea and a sense of security.

This is the same as the puppet traitor Kim Yong-sam's absurd remarks that North-South problems can be possibly resolved only through military strength and that the South Korean people should regard the North as the enemy, not as the same people. This is indeed anti-national and anti-reunification bellicose remarks and acts that instigate an extreme degree of hostility between fellow countrymen and openly declare confrontation and war against the northern half of the Republic.

The Kim Yong-sam group is continually making provocative absurd remarks, such as advocating reunification through armed forces, without knowing what kind of aftermath will ensue from such remarks, being engrossed with the anti-Republic confrontation; and with war. Indeed, the Kim Yong-sam group is warmaniacs unprecedented in history and matchless national traitors and the enemy of reunification.

Today, the Kim Yong-sam puppet clique has even made public the scenario of northward war of aggression; and has been adventurously adhering to the playing with the fire of war and arms buildup so as to accomplish this scenario.

As is known, the Ulchi Focus Lens war exercise staged by the puppets each year is not merely a military training, but a very dangerous military act aimed at invading the northern half of the Republic at any time.

Coinciding with the Ulchi Focus Lens war exercise, the Kim Yong- sam group has continuously deployed armed forces in the foremost frontline area for an actual war, thus frantically running amok with the provocative exercise of northward war of aggression.

The Ulchi war exercise staged by the South Korean puppets is a preliminary war aimed at putting into practice the traitor Kim Yong- sam's heinous intention to make the so-called unaccomplished national liberation a genuine liberation, which he revealed in his so-called congratulatory speech on 15 August.

The so-called unaccomplished national liberation about which the traitor Kim Yong-sam babbled means that he will subdue our Republic [uri konghwagugul maramokkettanun soriroso]. His gibberish is the logic of victory over communists by realizing reunification through armed forces. It is the logic of confrontation and war.

The fact that the Kim Yong-sam group staged the Ulchi Focus Lens war exercise is aimed at oppressing the national spirit for reunification that has been further enhanced on the occasion of the 15 August pannational rally; and at extremely aggravating North- South confrontation. This has also been prompted by his criminal attempt to block national reconciliation and the road to reunification by means of driving the situation more closely to the brink of war.

The anti-Republic confrontation and war provocation maneuvers staged by the Kim Yong-sam group is the last-ditch frenzy of those who have sensed the time of their collapse from the fact that the people are marching toward reunification despite fascist saber- rattling.

The exercise of northward war of aggression staged by the Kim Yong-sam group one after another is the anti-national and anti- reunification crime that can be committed only by such warmongers and unprecedented traitors who are not interested in the destiny of the nation and people and who are not hesitating to make fellow countrymen nuclear victims of outside forces. It is an unpardonable challenge to the fellow countrymen who aspire after peace and peaceful reunification.

If the Kim Yong-sam group continues to stage such military trainings as the Ulchi Focus Lens-96 war exercise, it will be held totally responsible for all consequences arising therefrom and will have to pay dearly for this.

You, officers and men of the South Korean Army, should not be dragged into war exercises against the fellow countrymen by following the order of the Kim Yong-sam puppet clique.

You, officers and men of the South Korean Army, should reject the logic of the Kim Yong-sam group, such as victory over communists, confrontation and war. Following the order of the Kim Yong-sam group is the road of national treachery and to ruin.

You, officers and men of the South Korean Army, should traverse along the patriotic road for national reunification by standing on the side of the nation and of the people.

DPRK: Pomchonghangnyon Representatives Announce Fast

SK2308092496 Pyongyang KCNA in English 0852 GMT 23 Aug 96 —Official DPRK news agency

[FBIS Transcribed Text] Panmunjom, August 23 (KCNA) — Chairman Ho Chang-cho and members of the North headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) and representatives of universities in the North started a fast at the Tongil House here today.

The North headquarters released a statement at a press conference, upon starting the fast.

The grand reunification festival of Pomchonghangnyon held recently by the South Korean Federation of University Student Councils (Hanchongnyon) was not an event for "communism" and "violent activities" but a peaceful festival for nation, patriotism and reunification, the statement said.

Who is right will be judged by history, not by bayonets or sophisms, it said. The traitor Kim Yong-sam will face a more miserable doom than the preceding military dictators'.

The statement expressed support and solidarity for Yu Se-hong and To Chong-hwa, "Hanchongnyon" delegates, in their fast here.

The members of the North headquarters met with the South Korean students in the third day of their fast.

After the meeting [words indistinct] the balcony of the Panmun House, chanted slogans urging their demand to be met and sang "Song of Pomchonghangnyon" and other songs.

DPRK: More on Delegates' Joining in Hunger Strike

SK2308105596 Pyongyang KCNA in English 1007 GMT 23 Aug 96 —Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 23 (KCNA) — The delegation of the overseas headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) joined the delegates of the South Korean Federation of University Student Councils (Hanchongnyon), Yu Se-hong and To Chong-hwa, and the delegation of the North headquarters of Pomchonghangnyon in the hunger strike this afternoon.

The delegation of the overseas headquarters had participated in the sixth grand reunification festival of Pomchonghangnyon in Pyongyang.

The co-chairman of the overseas headquarters, Pak Ku-ho, said the youth and students under the overseas headquarters bitterly criticised the South Korean authorities for harshly repressing the million students of "Hanchongnyon."

He expressed full support to the "Hanchongnyon" delegates in their righteous action on behalf of the overseas Korean youth and students. The delegation of overseas Koreans will join in the indefinite fasting from today, he said.

The North, South and overseas Korean young people and students sang songs and chanted slogans in high spirits.

DPRK: Italian Friendship Group Visits Fasting Delegates

SK2308110096 Pyongyang KCNA in English 1010 GMT 23 Aug 96 —Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 23 (KCNA) — The friendship visiting group of the Movement for Peace and Socialism of Italy led by International Secretary Paolo Pioppi visited Panmunjom today.

They also called on Yu Se-hong and To Chong-hwa, delegates of the South Korean Federation of University Student Councils (Hanchongnyon), members of the North headquarters of Pomchonghangnyon and delegates of various universities who were fasting at Panmunjom.

The Italian delegation handed the youngsters a streamer reading "long live the struggle of 'Hanchongnyon' and the South Korean people for reunification" and journals that carry articles on the activities of Yim Su-kyong, the South Korean student delegate to the 13th World Festival of Youth and Students in 1989, and the illegal feature of the "National Security Law" of South Korea.

The Italians watched a video film on the Kim Yong-sam group's crackdown on students under "Hanchongnyon," hearing explanations from Yu Se-hong and To Chong-hwa.

The head of the delegation said the five-time visits of South Korean students to the North following Yim Su-kyong's example in 1989 show how earnestly the Koreans wish reunification. [sentence as received] "Back home, we will wage a solidarity campaign for 'Hanchongnyon' students more courageously," he added.

DPRK: SKNDF Condemns Kim Yong-sam Regime for 'Suppression'

SK2308052996 Pyongyang KCNA in English 0430 GMT 23 Aug 96 —Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 23 (KCNA) — The Central Committee of the National Democratic Front of South Korea (NDFSK) [SKNDF] published an article on Wednesday denouncing the Kim Yong-sam fascist clique for the crackdown on the sixth grand reunification festival of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon), the Seoul-based radio Voice of National Salvation [VNS] reported.

The article said:

The suppression of the August 15 festival held by students affiliated with the South Korean Federation of University Student Councils (Hanchongnyon), which fully revealed the cruelty of the "civilian" dictatorship, was a repetition of the May 18 outrage and the Kwangju bloodbath committed by the military dictators, Chon Tu-hwan and No Tae-u, 16 years ago.

The military dictators, in a bid to usurp the power, committed the May 18 Kwangju outrage and massacred a large number of citizens in cold blood through a large-scale three-dimensional attacks from the sky and on the ground.

The recent suppression was little different from the massacre.

The Kim Yong-sam fascist clique harshly suppressed the students' festival, causing a bloodbath intentionally, in the hope of finding a way out of their serious political crisis.

However, their brutal suppression and the "government"-backed opportunists' abuses can neither stamp out the patriotic ideas of "Hanchongnyon" nor obliterate the justness of the festival.

Through the festival, "Hanchongnyon" fully demonstrated its indomitable, undaunted spirit and creditably discharged its mission and duties for the country and the fellow countrymen. It also showed again that the students with a strong sense of justice are patriots who are fighting in close unity with great mental strength, unshakable determination and heroic mettle.

Reunification is vital to the destiny and life of the 70 million fellow countrymen. No matter how atrocious the Kim Yong-sam traitorous and fascist group's anti-reunification suppression may be, we will never give up the efforts for reunification.

The traitor Kim Yong-sam, who betrayed himself in waning days throu[illegible]he August 15 outrage, will be judged by histor[illegible] his blackest crimes as Chon Tu-hwan and No Tae-u have stood trial for the May 18 outrage.

DPRK: Daily Denounces ROK for 'Bloody Suppression'

SK2308115296 Pyongyang Korean Central Broadcasting Network in Korean
0850 GMT 22 Aug 96
— DPRK-owned central radio network

[NODONG SINMUN 22 August commentary: "We Condemn the Revival of the Kwangju Incident"]

[FBIS Translated Text] In response to the bloody 15 August incident committed by the Kim Yong-sam fascist clique to halt the grand reunification festival held by the patriotic youth and students at Yonsei University in Seoul, all compatriots at home and abroad are shivering with rage and anger, and the progressive people of the world who cherish justice and human conscience are raising their voice of curse and denunciation.

The bloody suppression and atrocity inflicted by the Kim Yong-sam fascist clique on the participants in the 15 August ceremony in Seoul was a repetition of the shivering incident 16 years ago in which the entire Kwangju was turned into a sea of blood, and is a civilian version of the second Kwangju incident. The equipment, method, viciousness, and brutality is not at all different from the Kwangju massacre committed by the murderers and villains Chon Tu- hwan and No Mae-u.

The traitors Chon Tu-hwan and No Tae-u ruthlessly committed the fratricidal slaughter as military gangsters in military uniforms. The Kim Yong-sam ring is a group of political gangsters wearing a civilian mask, who more viciously and brutally committed the fratricidal slaughter. To halt the 15 August reunification festival, the Kim Yong-sam fascist clique everyday mobilized some 10 helicopters in the sky and poured tear gas and toxic materials on the heads of the participants in the ceremony. On the ground, they mobilized tens of thousands of riot police, armored cars, and bulldozers, and conducted a three-dimensional attack and suppressive operation, in which multiple tear gas canisters and chemical bombs were fired, the front and back gates of the university were demolished, and the campus was attacked in all directions.

The fascist villains' brutal, suppressive offensives were like an urban warfare in wartime. The venue was turned into a fierce battlefield soaked with the blood of the innocent youth and students. While the Yonsei University campus, the venue of the reunification festival, was being soaked in the blood of the youth and students, traitor Kim Yong-sam, who considers youth and students as a thorn in his flesh, held a so-called high-level party and administration meeting, and discussed a fascist comprehensive measure aimed at a full-scale suppression of the Korean Federation of General Student Councils [Hanchongnyon], and gave an order to relentlessly suppress participants in the reunification festival. Answering this, the puppet prime minister and the puppet director of the National Police Agency unhesitatingly readily raved that they will search and sternly punish the demonstration leaders and students who committed violence, and use firearms to suppress the students' demonstration.

On 21 August, the Kim Yong-sam fascist villain mobilized 12,000 special force riot police and completely blocked the two buildings where 3,000 college students gathered—the Science Hall and General Hall at Yonsei University, isolating the students from the outside world. In the sea-saw advance and retreat, the police ran amok in the scorched land operation.

Inside the building, injured students were exhausted by diseases, hunger, and heat. When they asked for food and medicine, the fascist clique said: You are all communists, we do not give food and medicine to enemies. The fascist clique cut off all supplies of food and medicine to them, and even cut off water and electricity. The fascist clique did not hesitate to commit the inhumane atrocity, using an operation in which they let the college students wither and fall, then sent in the special force to suppress them.

The fascist villains fired a large amount of chemical bombs and threw the students, who were in a daze and suffocated. Then, they sent in a special unit and committed a beast-like atrocity. That was an exact duplicate of the airborne troops' massacre of the people who rose in the Kwangju uprising. The truth of the beast-like massacre equivalent to the Kwangju incident is revealed by the fact that in the nine days from 12 August, when the reunification festival opened, to 20 August, more than 100,000 riot police from some 800 companies and 47 helicopters were mobilized, 16,000 boxes of multiple tear-gas canisters fired, 1,200 were wounded, and 5,000 students were arrested.

There are many cases in history in which the oppressors use swords and rifles to suppress the masses in a peaceful rally, but there has never been such fascist hangmen as the Kim Yong-sam ring, who suppressed the peaceful rally calling for national conciliation and reunification, and deployed 100,000-strong suppression forces and tens of helicopters to suppress the bare-handed participants in the peaceful rally. The cruel suppression continued for many days, with one attack resulting in more than 1,000 wounded. More than 5,000 students are behind bars.

Wearing the face of a Korean, how could he dare such a cruel, vicious, and beastly suppression of young students of his own nation? The Kim Yong-sam ring is a group of savages that does not have the slightest human reason or conscience and that is ignorant of nation and politics. All they ever learned were plots, conspiracies, and sword wielding. The fascist villains are most vicious fascist hangmen, who do not hesitate to sacrifice compatriots in a bloody suppression for their own comfort and political greed.

How can the civilized and dignified Korean people, proud of their 5,000-year long history and culture, leave a fascist hangman and savage like the traitor Kim Yong-sam intact inside the nation? How can they tolerate bloody suppression and fratricidal slaughter? A piece of human trash and filth of the nation like the traitor Kim Yong-sam is breathing and dominating the land of South Korea. This fact alone is an insult and misfortune to the South Korean people.

History showed us more than once or twice that oppressors who reject the opinions and desires of the popular masses and engage in fascism will never last long. The politics of violence and the sword are merely the last-ditch struggle of those close to their end. The Kim Yong-sam fascist clique is using an anti-Republic confrontation maneuver and is in a fascist fit to stop the strong current of the movement toward independence, democracy, and reunification in the South, but the people see graves from the fit of the fascist hangmen. The crime of the political gangster Kim Yong-sam ring is too enormous to extend its dirty political life. The people's complaints against the hangmen have reached the heavens.

Just as the traitors Chon Tu-hwan and No Tae-u are behind bars, waiting for the day to be buried in their graves for their crime of the brutal massacre of thousands of Kwangju people in an uprising for independence, democracy, and reunification, the traitor Kim Yong-sam will have to pay a blood price for the crime of the bloody 15 August incident, and he will be sternly sentenced by the people's staunch trial.

DPRK: President Kim's Remarks at Chongwadae Meeting Decried

SK2308051496 Pyongyang KCNA in English 0437 GMT 23 Aug 96 —Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 23 (KCNA) — South Korea has turned into a tundra of democracy and a rowdyism of separatists. Enwrapped in a horrible atmosphere of the "new security-oriented rule" and merciless white terrorism against the South Korean Federation of University Student Councils (Hanchongnyon) and other patriotic forces for reunification and democracy.

The Yonsei campus suppression by the fascist Kim Yong-sam has given a terrible shock to the people and hardened their determination to take revenge on the disturber of democracy.

After brutally cracking down on the students' peaceful festival, he, on Wednesday, invited venal university presidents throughout South Korea to a "luncheon" at "Chongwadae [presidential offices]" and threatened to "severely punish the pro-North forces", abusing the students' righteous activities as "violent revolution against the system" and "urban guerrilla operation".

The traitor is apparently discomfited by the ever growing spirit of the fellow countrymen for national reunification and the intensified struggle for the democracy of South Korean society.

The Kim Yong-sam "civilian" fascist clique's suppression was as brutal as the Kwangju bloodbath 16 years ago.

The South Korean reptile media should pay attention, above all, to awakening themselves, instead of inciting "left-right confrontation" and calling for "awakening of the rightists".

No matter how the "government"-controlled media misrepresents the truth bereft of reason, calling the patriotic-minded students "pro- communist leftists" and "violent elements", the just cause of the patriotic forces for reunification and democracy can never be injustice.

If they continue playing the role of a political waiting maid serving the Kim Yong-sam fascist clique, they will be condemned as traitorous and pseudo press.

DPRK: Rallies Denounces Kim Yong-sam Regime for 'Suppression'

SK2308050396 Pyongyang KCNA in English 0420 GMT 23 Aug 96 —Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 23 (KCNA) — Rallies of students were held in Sariwon of North Hwanghae Province, Wonsan of Kangwon Province and Kaesong municipality on Thursday, in denunciation of the Kim Yong-sam fascist clique's brutal suppression of students in South Korea.

The Kim Yong-sam fascist group have committed an indiscriminate and overall repression of Hanchongnyon (the South Korean Federation of University Student

Councils), who held the August 15 grand reunification festival.

The ralliers strongly called for dealing a sledge-hammer blow at the fascist group, who made a reproduction of the Kwangju massacre of 16 years ago with merciless sword-brandishing, which overshadows that of the preceding military dictators.

The August 15 grand reunification festival events held by the South Korean students were a manifestation of their ardent patriotism and will to put a period to the sufferings of national division and achieve national reconciliation and reunification without fail, they stressed.

The Kim Yong-sam group revealed in all nakedness their colors as the atrocious enemy of democracy and reunification by making a scapegoat of the righteous students calling for national reconciliation, unity and reunification, speakers said at the rallies. The traitor Kim Yong-sam is a rare fascist tyrant and a vicious anti-reunification element who will be cursed for all ages, they said.

They demanded that the traitor stop the bloody repression of the patriotic students of "Hanchongnyon" at once, squarely looking at the trend of the times, set free all the arrested students unconditionally and immediately and step down from power.

DPRK: Public Groups Denounce 'Brutal Repression' of Hanchongnyon

SK2308091996 Pyongyang KCNA in English 0848 GMT 23 Aug 96 —Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 23 (KCNA) — Public organisations of the DPRK issued statements denouncing the Kim Yong- sam group for resorting to brutal repression of the South Korean Federation of University Student Council ("Hanchongnyon"), a patriotic umbrella organisation of one million students in South Korea.

The Central Committee of the Kim Il-song Socialist Youth League branded the crackdown on "Hanchongnyon," which held the grand reunification festival of Pomchonghangnyon, as an anti-national, anti-reunification outrage.

It added that all the young people and students as well as the youth league members of the DPRK will actively support their South Korean counterparts in the struggle of justice.

It demanded the South Korean fascist clique immediately stop the repression of "Hanchongnyon" and release all the arrested students.

The Central Committee of the General Federation of Trade Unions of Korea said the South Korean rulers are to blame for the recent bloodshed in South Korea. The South Korean students only defended themselves from the bloody violent attack of the fascist clique, it added.

The Kim Yong-sam group brand the student protests and rally as "violent acts" but this only reveals the true colors of the truculent fascist tyrants, it said.

It demanded the South Korean fascist clique discard the foolish dream of blocking the powerful grand march of the nation toward reunification and immediately stop the repression of "Hanchongnyon" and patriotic students.

DPRK: Paper Lauds ROK Students' Struggle for Reunification

SK2308091696 Pyongyang KCNA in English 0845 GMT 23 Aug 96 —Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 23 (KCNA) — NODONG SINMUN today carries an editorial titled "The August 15 Struggle of South Korean Students for Reunification Will Shine Forever in National History of Reunification Movement" dealing with more than ten days of fierce clashes between the fascist, separatist forces and the forces for democracy and reunification.

The daily says:

The patriotic-minded students of South Korea held the sixth grand reunification festival of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) to commemorate the 51st anniversary of national liberation in teeth of the Kim Yong-sam traitorous group's brutal suppression. The festival fully demonstrated their strong faith and will to inspire the fellow countrymen with the desire for reunification and open an epoch-making phase of national reunification under the banner of peace and great national unity.

The fellow countrymen in the North highly appreciate the South Korean Federation of University Student Councils and other South Korean champions of reunification and democracy who have valiantly struggled to effect a radical turn in the efforts for the country's reunification under the banner of peace and great national unity, undaunted by the harsh suppression by the fascist clique, and fully demonstrate the unswerving will of the nation for reunification.

The South Korean students' courageous and righteous struggle has put the Kim Yong-sam fascist clique deep into uneasiness and fear, winning a great political and moral victory.

Their indomitable struggle has also shown that the forces for reunification and democracy have remained alive and nothing can overpower the masses in their just cause.

Their heroic August 15 struggle for reunification gave a serious lesson that with the Kim Yong-sam group, foes of reunification, left unpunished, South Korean people can neither achieve independence, democracy and reunification nor escape from such a bloodbath as the August 15 brutal suppression.

There is nothing to expect from the Kim Yong-sam traitorous clique. They should be overthrown only through the merciless struggle. This is the summing up of the August 15 struggle.

All the South Korean students and people who value peace of the country and long for the reunification of the nation should rise up in the struggle against the Kim Yong-sam group of disturbers of peace and separatists.

The Kim Yong-sam group must admit the responsibility for the suppression as brutal as the Kwangju massacre, apologize to the nation, step down and face a stern judgement by history as demanded by all the people. This is the only way for them to pay for their crimes.

DPRK Papers Denounce Kim Yong-sam's Comments on Demonstrators

SK2308090796 Pyongyang KCNA in English 0832 GMT 23 Aug 96 —Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 23 (KCNA) — Kim Yong-sam of South Korea called university presidents to a party at the "Chongwadae" [presidential offices] Wednesday, at which he [word indistinct] remarks insulting and threatening the patriotic students.

In this connection newspapers here today carry signed commentaries.

The news analyst of NODONG SINMUN says:

Kim Yong-sam said that students' "spirit of benefiting the enemy" found itself in their "demonstration" supporting the "North's united front strategy", the keypoint of which is to get the U.S. Forces withdrawn, a peace agreement concluded and the "National Security Law" [NSL] abolished. This is an irrelevant utterance.

The U.S. Forces are continuing their presence in South Korea to hinder the reunification of Korea, while committing war provocation moves with the puppets posing a grave threat to peace on the Korean peninsula. And with the "NSL" left alone, it would be eternally impossible to achieve national reconciliation and reunification. That is why the students have called for the withdrawal of the U.S. Forces, the conclusion of a peace agreement between the DPRK and the U.S. and the abolition of the "NSL".

If the argument of the puppets were logical, the United States should have been "pro-communist, pro-North forces" following "the North's united front strategy", as it officially calls for the abolition of the "NSL". [sentence as received]

The traitor Kim Yong-sam also described the students' strike on the campus surrounded by repressive forces as "urban guerrilla operation". This is one more ignorant talk.

His utterances are a poor excuse to justify their heinous crime and they are nothing but intrigue intended to charge the students with a graver crime.

MINJU CHOSON says that Kim Yong-sam should stop insulting the patriotic students of South Korea. And he must come out to the court of history, taking the blame for the situation as the very one who directly commanded the barbarous white terrorism and caused the "August 15 bloodbath", it stresses.

DPRK: CPRF Denounces ROK for Plan To Invite Japanese Emperor

SK2308044396 Pyongyang KCNA in English 0416 GMT 23 Aug 96 —Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 23 (KCNA) — The secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] issued Information No. 722 on August 22 denouncing the Kim Yong-sam group for stepping up the so-called "Plan A" to bring the Japanese emperor to South Korea in defiance of the strong protest of the South Korean people.

The traitor Kim Yong-sam after his coming to power has engaged himself in the mean treacheries of exempting Japan from the past crimes and opening the way of Japan's reinvasion of South Korea, prattling that "they should not be enslaved by the past" in relationship with Japan and "future-oriented South Korea-Japan relations should be established", the information said, and continued:

The traitorous Kim Yong-sam clique are planning to bring the Japanese emperor, a person symbolic of Japanese militarism and a target of anti-Japanese sentiments, to South Korea when Japan is intensifying the moves to reinvade South Korea while promoting military power and nuclear arms. This is a treacherous act surpassing the "Ulsa Five Traitors".

The Korean nation will never remain an onlooker to the despicable trick of the Kim Yong-sam group to usher the Japanese emperor into South Korea.

The Kim Yong-sam group must cancel the treacherous "Plan A" at once and step down from power without delay.

DPRK: Plants Make Innovations in Producing Export Goods

SK2308081196 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 22 August 96 — DPRK-owned central radio network

[FBIS Translated Text] By waging a vigorous struggle with the spirit of the arduous march, the working classes of the Hamhung Songchongang Garment Plant and the Hamhung Handicrafts Plant are making innovations in producing export goods. These plants overfulfilled the plans for the first half of this year by 9.8 percent and 21.6 percent each. They also overfulfilled their July plans by 14.5 percent and 39 percent each. They are also overfulfilling the daily plans in August.

Deeply aware of the significance export production has in improving people's lives and ensuring the nation's international prestige, the working class of the Hamhung Songchongang Garment Plant bravely fought and overcame difficulties with the revolutionary spirit of self-reliance and fortitude.

They have done well in facility and technology management, actively introduced advanced work methods, and, thus, overfulfilled the yearly plans in the 20 years since the plant was founded. This year, they effected an upsurge by overfulfilling the plan by 60 percent.

The working class of the Hamhung Handicrafts Plant has overfulfilled the annual plan of the people's economy, which had increased by over 10 percent every year, according to the indicators. The plant has vigorously launched an increase production and economy campaign this year, overfulfilling the monthly and quarterly plans.

DPRK: KPA Vice Marshal Sees Chinese PLA Art Group's Premiere

SK2308044996 Pyongyang KCNA in English 0423 GMT 23 Aug 96 —Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 23 (KCNA) — The song and dance ensemble of the Chinese People's Liberation Army (CPLA) on a visit to the DPRK gave its premiere at the Mansudae Art Theatre on Thursday.

The song and dance ensemble showed the Chinese national characters, the lively and valiant military service of the CPLA soldiers and friendship feelings of the Chinese people towards the Korean people with songs, dances and other colorful numbers.

Put on the stage were dance "Song of Peony", female solo "I Love You, China" and "My Motherland", male group singing "Soldier With Rifle", male solo "Song of Servicemen" and other numbers.

Performers sang well Korean songs "Dear Leader Is With Us", "Kimchongilia" and "Guerrillas March" to win warm applause.

The performance was seen by Vice Marshal of the Korean People's Army [KPA] Cho Myong-nok, director of the KPA general political department, officials concerned, KPA soldiers and citizens.

DPRK: Cuban Ambassador Arranges Friendship Gathering

SK2308044096 Pyongyang KCNA in English 0412 GMT 23 Aug 96 —Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 23 (KCNA) — Cuban Ambassador to Korea Jose Ramon Rodriguez Varona arranged a friendship gathering at the embassy on Thursday on the occasion of the 70th birthday of Comrade Fidel Castro Ruz, supreme leader of the Cuban revolution, and the closing of the Month of Solidarity with the Cuban people.

Present on invitation were Choe Ki-yong, chairman of the State Education Commission and chairman of the Korea-Cuba Solidarity Committee, Choe Chin-su, vice-director of a department of the Central Committee of the Workers' Party of Korea, and other officials concerned.

Speeches were made at the gathering.

DPRK: Kang Song-san Receives Message From Romanian Counterpart

SK2308045296 Pyongyang KCNA in English 0431 GMT 23 Aug 96 —Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 23 (KCNA) — Premier of the Administration Council Kang Song-san received a message of consolation from Nicolae Vacaroiu, prime minister of the Romanian Government.

The Romanian prime minister said that upon hearing news that Korea suffered human and material losses caused by flood, he expressed sincere sympathy and deep condolences to the bereaved families of the victims in the name of the Romanian people and in his own name.

DPRK: Meat, Egg Office 'Smoothly' Meets People's Demands

SK2308094396 Pyongyang Korean Central Television Network in Korean 1110 GMT 22 Aug 96 — DPRK-owned television network

[FBIS Translated Text] By vigorously carrying out the Chong Chun-sil movement, functionaries and employees of the Pyongyang Meat and Egg Commerce Management Office manage all works as loyal servants of the people, bearing deep in mind the party's intention to more smoothly meet our people's daily needs, which are increasing every day.

The functionaries are leading the employees to repeatedly and deeply ruminate upon the boundlessly noble love and benevolence of the fatherly leader [oboi suryongnim] and the respected and beloved general toward the citizens of the capital city, and they are actively encouraging employees to fulfill their tasks and duty as commerce service workers.

Therefore, by highly displaying the revolutionary spirit of self- reliance and arduous struggle, they have built a feed processing base with a capacity of 1,200 tonnes, a soap production plant with a capacity of 700 tonnes, and a processing base of resin products, including egg containers. They have also set up many mulberry fields and managed them well. Considerable income from this contributes to the national economy.

[Begin recording of unidentified person] What we have accomplished so far is only a small accomplishment, in view of the party's demands. We will never forget the sense of duty as commerce service workers responsible for the people's daily lives, and will do more to improve the daily lives of citizens of the capital city by more highly displaying the spirit of the arduous march and the revolutionary spirit of self-reliance and arduous struggle.

By so doing, we will gloriously carry out the fatherly leader's behest and let the respected and beloved general's great love and benevolence for the people better reach the citizens of the capital city. [end recording]

DPRK: Efforts To Mend Flood Damage 'In Full Progress'

SK2308084596 Pyongyang KCNA in English 0834 GMT 23 Aug 96 —Official DPRK news agency

["Active Assistance to Flood Victims" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 23 (KCNA) — All provinces, cities and counties of the DPRK continue rendering relief goods to flood victims. In the last fifteen days, some 100 national organs including commissions and ministries of the Administration Council have sent hundreds of thousands of items of daily goods [word indistinct] some 420 kinds such as kitchen utensils, furniture, clothes and school things to people in North and South Hwanghae and Kangwon Provinces, Kaesong municipality and other flood-hit areas.

Efforts to heal the damage are in full progress.

DPRK: Kim Chong-il Thanks Officials, Working People, Soldiers

SK2308091096 Pyongyang KCNA in English 0838 GMT 23 Aug 96 —Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 23 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to officials and working people of the March 26 Factory, the Nampo Glassware Export Factory, the Ministry of Food Administration and the Unjon Fishery Station in North Pyongan Province and other different units for setting examples in production in the high revolutionary spirit of self- reliance and working hard.

He also sent thanks to soldiers of the Kim Hak-kun unit of the Korean People's Security Forces for helping in revetting the bank severely destroyed by flood, to soldiers of the Chang Yong-kol unit for helping 10 co-operative farms in the area it is stationed, to soldiers of the Kim Ung-kuk unit of the Korean People's Army [KPA] for saving old men and women, children and household furnishings from the houses on fire and rebuilding the houses as they were and No Su-kil, an official of the Kim Chang-su unit of the KPA for looking after war veterans and disabled soldiers with sincerity.

He extended thanks to the Chanhwang Export Garment Factory, the [word indistinct] party committee and county people's hospital in North Hamgyong Province for sincerely assisting the KPA and to Hwang Sun-hui who volunteered to work at the Sangnim co-operative farm in Pyoksong County, South Hwanghae Province, after graduating Kim Che- won University and looked after a childless couple of wartime merit as their daughter does. [sentence as received]

It is a social trend in Korea that the leader, the party and the masses are united in one mind, people are living in harmony, helping [word indistinct] slogan zone and leading each other forward under the for all and all for one". [quotation marks as received]

He highly appreciates these who did good deeds for society and the collective.

DPRK: Fuel, Material Transportation Enables Increased Coal Output

SK2308041596 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 22 August 96 — DPRK-owned central radio network

[FBIS Translated Text] Functionaries and transport workers of Chongjin Railways Bureau are focusing on transporting materials and fuel needed at Kim Chaek Steel Complex. For the past fifteen days, they transported concentrated iron ores, coal, and other important materials from Musan and other big production bases in the northern district by 20 percent more than the plan, effecting favorable conditions in iron and steel production.

Leading the initiatives are centralized-transport crews of the Chongjin Electric Service Brigade of Engine and the Cholsong Service Brigade of Engine and transport workers at important stations where centralized transport trains run.

Thanks to the strong support of Chongjin Railway Bureau, more favorable production conditions of Kim Chaek Steel Complex are being created, thus increasing iron and steel production.

DPRK: Daily Explains Socialist Economic Management

SK2308114096 Pyongyang NODONG SINMUN in Korean 6 Aug 96 p 2 — Daily newspaper of the Central Committee of the Workers Party of Korea

[Article by Paek Chang-su: "Inspiring the Masses' Self-Consciousness and Creativity Is an Important Demand of Socialist Economic Management"]

[FBIS Translated Text] Unitarily systematizing the chuche-based socialist economic management theory is an outstanding achievement of the great leader [widaehan yongdoja] Comrade Kim Chong-il.

An important content of the chuche-based socialist economic management theory clarified by the respected and beloved Comrade Kim Chong-il [kyongaehanun kimjongil tongji] is to solve all problems of the socialist economic management theory with the self-consciousness and creativity of the masses.

The great leader Comrade Kim Chong-il pointed out:

In socialist economic management, all problems should be solved by enhancing the political self-consciousness of the popular masses, who are the masters of economic management, and by inspiring the creative strength and wisdom of the working people.

Economic management is a function of controlling the people's economic activities in order to achieve a certain economic goal. Economic management exists in any society where economic activities are conducted based on the people's collective labor. In a capitalist society, where the capitalists act as the masters, the function of economic management is to pursue profit for capitalists and oppress and exploit the working people. In contrast, in a socialist society, where the popular masses are the masters of economic management, economic management is a controlling function that guarantees the independent and creative economic activities of the working people.

In socialist economic management, the opinion of the producer masses should be respected and their interests defended. All problems of economic management should be solved by the revolutionary enthusiasm and creative activity of the producer masses. Solving all problems of economic management by enhancing the self-consciousness and creativity of the popular masses is an inherent demand of the socialist society, and a basic guarantee for successfully accelerating socialist economic construction.

Solving all problems of economic management by highly inspiring the self-consciousness and creativity of the working popular masses is above all, an important demand that stems from the inherent character of a socialist society.

In a socialist society, the popular masses are the masters of the country and society. As such, the popular masses should be the masters of economic management in a socialist society, and all problems of economic management should be thoroughly solved through the self-consciousness and creativity of the popular masses.

Only when all problems of socialist economic management are solved through the self-consciousness and creativity of the popular masses, can the popular masses fulfill the responsibility and role of masters of economic management and become true masters of economic management.

Solving all problems of socialist economic management by inspiring the self-consciousness and creativity of the working popular masses is also a firm guarantee for strongly accelerating socialist construction.

A socialist society develops in accordance with the ingenuity of the popular masses which are firmly united as one. Herein lies the driving force which propels socialist social development, where the popular masses are united in comradery and struggle with enlightened awareness and capabilities as masters. The basic driving force of socialist economic development also lies in the popular masses' political-ideological force, self-awakening zeal, and positiveness toward ingenuity. In order to dynamically push ahead with socialist economic construction, all matters arising from socialist economic management should be worked out in such a way as to thoroughly kindle the working popular masses' revolutionary zeal and positiveness toward ingenuity. Displaying the popular masses' awareness and ingenuity is one of the basic matters arising from socialist economic management, and how to solve this matter determines the fruits of socialist economic construction and the destiny of the socialist system. Only when the popular masses become the actual masters of economic management and highly display their revolutionary zeal and positiveness toward ingenuity can the nation's economy form a single production organism, boast the power of collectivism, and incessantly develop at high speed.

The respected and beloved Comrade Kim Chong-il not only espoused that highly displaying the working popular masses' cognizance and creativity is a pivotal request of socialist economic management, but also provided a profound explanation on theoretical and practical matters emerging from displaying the popular masses' revolutionary zeal and positiveness toward ingenuity.

In his classic work of "Let Us Strongly Arm Ourselves With the Chuche-Oriented Socialist Economic Management Theory," published on 1 July 1991, the respected and beloved Comrade Kim Chong-il expounded the fundamental matters to highly display the popular masses' self-awakening enthusiasm and creativity in socialist economic management.

For the working class to implement the mass line, on the basis that it exhaustively guarantees the party's political guidance, is a request in principle to highly display the popular masses' revolutionary enthusiasm and creative caliber in socialist economic management as the respected and beloved Comrade Kim Chong-il expounded.

The party's political guidance for the working class is a basic guarantee to highly display the popular masses' creative caliber in the economic activities. The popular masses' creative caliber can be displayed to the fullest when they are solidified as a single sociopolitical vitality based on the standpoint of collective vitality. It is the party of the working class that solidifies the popular masses into a sociopolitical vitality equipped with a potent creative caliber. Only when the party's political guidance in socialist economic management is firmly guaranteed can we strongly arm every man with the leader's [suryong] revolutionary idea; firmly unite them around the party and the leader [suryong]; and dynamically push ahead with socialist economy construction by displaying their creative power and wisdom to the fullest.

In socialist economic management, the party's political guidance should be closely combined with the mass line. Implementing the mass line in socialist economic management signifies that all the problems arising in economic management are solved by relying on and believing in the strength and wisdom of the popular masses and by safeguarding their interests. When the mass line is thoroughly implemented, socialist economic management can become economic management that is for the popular masses and that truly serves their interests. It can also become economic management by the popular masses themselves, who unfailingly implement the party's policies and the state plan which embody the mass line, and who display revolutionary enthusiasm and creative activeness while participating in economic management as befitting the masters and helping and leading each other. When the party of the working class establishes a system and method of economic management that embodies the party's mass line, it can highly display revolutionary enthusiasm and creative activity, thus vigorously accelerating socialist economic construction.

The idea and theory of the respected and beloved Comrade Kim Chong-il [kyongaehanun kimjongil tongji] on demonstrating self- awareness and creativity in socialist economic management have been clearly validated in practice.

When the popular masses become the masters of means of production and state power with the establishment of the socialist system, this can create social conditions in which they secure the position of the masters and carry out the responsibility and role as the masters of economic management. However, even if such social conditions are created, this does not necessarily mean that the self-awareness and creativity of the popular masses can be displayed of its own accord. In order to highly display the conscious enthusiasm and creativity of the popular masses, a correct economic management system and method should be established. However, some countries which used to build socialism failed to establish a system and method for economic management that met the inherent character of socialist society. These countries put the main emphasis on economic technical guidance, administrative methods, and a material stimulus in guiding and managing the socialist economy. Such being the case, bureaucratism has spread in economic management; the creativity of the producing masses has been suppressed; and outdated ideological vestiges, including egoism, have prevailed among the people. As a result, a stagnant phenomenon has appeared in socialist economic construction. Taking mean advantage of this, modern socialist democrats have introduced a capitalist market economy and eradicated the party's guidance by stating that the party's guidance restrains people's creativity. The lessons of history clearly show that when the self-awareness and creativity of the producer masses are not highly displayed in socialist economic management, economic construction cannot be triumphantly accelerated, and, as a result, the socialist system itself cannot be defended.

The great leader Comrade Kim Il-song singled out the combination of unitary leadership and the mass line as a fundamental principle, and he wisely led the party to thoroughly implement the mass line in socialist economic management. Our party has inspired functionaries of state economic organs to strenuously wage the struggle to implement the mass line and oppose bureaucratism in guiding and managing the socialist economy. In this course, our party established the revolutionary work system and method and brilliantly solved problems arising in implementing the mass line in economic management. The Taean work system is the most superior economic management system that embodies the mass line. Under the collective guidance of the party committee, the Taean work system discusses and decides the direction and ways to implement economic tasks, which are raised as a result of bringing together the opinions and demands of the broad producer masses. It also inspires the revolutionary enthusiasm and creative activity of the producer masses and triumphantly carries them forth.

The respected and beloved general Kim Chong-il has resolutely defended and adhered to the feats the great leader [suryong] performed in the socialist economic field, and wisely led all the sectors and units of the national economy to thoroughly embody the Taean work system. Our party has seen to it that all sectors and units of the national economy collectively discuss and solve all problems arising in economic management under the party committee's guidance, and that they regard the political method as its basis. In so doing, the popular masses are now fully displaying revolutionary enthusiasm and creative activity in economic management work, with a high awareness of being the masters of socialist economic management. The practical experiences of our country's socialist economic management clearly show that when the Taean work system is thoroughly adhered to and the revolutionary enthusiasm and creativeness are highly demonstrated, any problem can be triumphantly solved and socialist economic construction can be vigorously accelerated.

Recently the respected and beloved Comrade Kim Chong-il [kyongaehanun kimjongil tongji] has again set forth a wise line that guiding functionaries in all sectors of the national economy, including functionaries of the rural economic sector, should believe in the people and solve any problems with economic management on the basis of the people's strength and wisdom, thus energetically leading our functionaries to respect the people's opinions and work on the basis of the people's wisdom and strength.

Guiding functionaries in all the sectors and units of the national economy should thoroughly arm themselves with our party's ideology and theory on socialist economic management and inspire the popular masses to highly display revolutionary enthusiasm and creative activity, thus effecting new upsurges in the struggle to implement the party's revolutionary economic strategy.

South Korea

ROK: U.S. Ship Carrying Relief Goods Arrives in DPRK 20 Aug

SK2308054496 Seoul KBS-1 Radio Network in Korean 0518 GMT 23 Aug 96
—State-run radio of the ROK

[FBIS Translated Text] A U.S. Government official disclosed on 23 August that a U.S. ship carrying food and relief goods worth $6.2 million arrived in North Korea on 20 August. The official added that the recent U.S. food aid, which was made through the UN World Food Program, includes 13,000 tonnes of rice.

The United States donated $225,000 last year and $2 million in last June to the United Nations to feed hungry North Korean people.

ROK: KEDO, DPRK Resume Protocol Talks on Reactor Site, Services

SK2308003896 Seoul YONHAP in English 0021 GMT 23 Aug 96
—Semiofficial news agency of the ROK

[FBIS Transcribed Text] New York, Aug. 22 (YONHAP) — The Korean Peninsula Energy Development Organization (KEDO) and North Korea resumed protocol negotiations at the KEDO secretariat involving the site and services for the nuclear reactor project in the North.

The primary item on the agenda for the second round of talks is the size of the plant site, cost of labor, and charges for materials and facilities that are to be provided by the North.

KEDO reportedly insists on adopting the prevailing wage level in the North, while Pyongyang wants to adopt a higher scale.

Since both sides want to begin work on the reactor project as soon as possible and major points of contention were fully discussed at the first round of talks last month in North Korea, however, both parties are expected to reach an agreement on the two protocols by early September, a KEDO official said.

Upon the initialing of the site and service protocols, the Korea Electric Power Corp., the prime contractor for the reactor project, will initiate negotiations with the North about a manpower employment contract, according to the source.

An eight-member North Korean delegation to the talks, led by Choe In-hwa, adviser to the General Department of Atomic Energy, arrived in New York Wednesday evening via San Francisco aboard a United Airlines flight.

Leading the KEDO delegation is Mitchell Reiss, special assistant to the KEDO executive director.

ROK: UN Appeals to Member Nations for Aid to North Korea

SK2308011196 Seoul YONHAP in English 0058 GMT 23 Aug 96

—Semiofficial news agency of the ROK

[FBIS Transcribed Text] United Nations, Aug. 22 (YONHAP) — The United Nations has appealed to member nations for assistance to North Korea which is suffering from recurrent floods this summer.

The Department of Humanitarian Assistance (DHA) called a meeting of representatives from 39 Asian, American and European nations Thursday to brief them on the communist country's flood damage and ask for their aid.

Among the nations represented in the meeting were South Korea, Japan, China, Thailand, the United States, the United Kingdom, France and Germany.

Speaking at the meeting, Deputy Secretary-general Yasushi Akashi said that North Korea has sustained major human and property losses in the recent floods, on top of the flood damage from last year, and appealed for emergency aid to the flood-devastated country.

The DHA embarked on a campaign last June to raise 43.6 million U.S. dollars from UN member nations for assistance to North Korea for flood damage suffered last year and has only raised 17.5 million dollars, or 40 percent, thus far, from South Korea, the United States, Japan, Australia, New Zealand and several others.

The United Nations has announced that North Korea incurred 1.7 billion dollars in losses from the floods which hit the western part of the country in July and August claiming 116 lives and causing some three million people to suffer.

ROK: PRC Data Cited Showing Fall in Trade With DPRK

SK2208104696 Seoul YONHAP in English 1033 GMT 22 Aug 96

—Semiofficial news agency of the ROK

[FBIS Transcribed Text] Beijing, Aug. 22 (YONHAP) — Trade between China and North Korea has been on a steady decline since 1993, statistical figures available from the Chinese Foreign Ministry showed Thursday.

According to the "China Foreign Policy" prepared by the Foreign Ministry's office of policy study, trade volume between the two countries dropped from 899.64 million dollars in 1993 to 623.74 million dollars in 1994 and further to 549 million dollars last year.

In the first five months of this year, two-way trade volume amounted to 185 million dollars, a decline of 15 percent from the corresponding period of last year.

The 1993 volume consisted of 297.29 million dollars in North Korea's exports to China and 602.35 million dollars in imports, showing a trade imbalance of 305.06 million dollars in North Korea's disfavor.

North Korea's trade deficits with China amounted to 225.3 million dollars in 1994, 423 million dollars in 1995, and 143 million dollars in the January-May period of this year.

The "China Foreign Policy" said that due to unprecedented floods in North Korea, China provided 30 million yuan worth of emergency relief materials to North Korea in October last year.

ROK Ponders Proposed Aviation Talks With DPRK, ICAO

SK2208124796 Seoul YONHAP in English 1225 GMT 22 Aug 96

—Semiofficial news agency of the ROK

[FBIS Transcribed Text] Seoul, Aug. 22 (YONHAP) — International Civil Aviation Organization (ICAO) has recently proposed a three-way meeting among ICAO and South and North Korea to discuss the conclusion of an air control agreement between the two Koreas.

Son Son-yong, director of the Construction-Transportation Ministry's Aviation Bureau, said Thursday the government is affirmatively studying the ICAO offer.

Saying that ICAO proposed to hold the tripartite meeting in Bangkok next month, Son said Seoul could agree to the meeting if North Korea shows a positive response to the South's demand for the principles of nondiscrimination and safety first.

North Korea is reportedly pressing for a tripartite meeting in connection with its pronounced plan to open its air space to international airliners within the year.

ROK Foreign Minister Interviewed on DPRK, Defense, Other Issues

962C0089A Seoul SINDONG-A in Korean Aug 96 pp 160-173

[Interview With ROK Foreign Minister Kong Nomyong by Chong Chong-mun, director, TONG-A ILBO Research Institute of Unification, held at the foreign minister's reception room on 6 July 1996 on the DPRK, regional defense, the proposed four-way talks, U.S. trade pressure, Japan, and other issues, as reported by reporter An Yong-pae]

[FBIS Translated Text] It was not easy to arrange an interview with Foreign Minister Kong No-myong because the situation in and around the Korean peninsula has kept him so busy. History will record him as one of the busiest and most hard-working ROK ministers in the first half of 1996. Among other things, he arranged the June ROK-Japan Cheju summit meeting and attended the ROK-Japan foreign ministers meeting, which took place as an aftermath of the decision to have South Korea and Japan co-sponsor the 2002 World Cup. Prior to that, he arranged the ROK-U.S. joint proposal for quadripartite talks on the question of peace on the Korean peninsula. In addition, he attended the ROK-U.S. summit meeting, and had to study measures to deal with the newly announced U.S.-Japan joint security arrangement.

Since the proposal for four-way talks on peace on the Korea peninsula was announced, the United States, Japan, China, and Russia have been all eyes and ears, vigilantly watching developments relating to the Korean question. Under these circumstances, SINDONG-A considered it a meaningful thing to do to meet the highest officer in charge of foreign affairs to hear his views on the whole range of our government's foreign policy, and thus we arranged an interview between Foreign Minister Kong No-myong and Chong Chong-mun, director of the TONG-A ILBO Institute of Unification.

At no time during the interview, which lasted about one hour and 30 minutes, did the foreign minister show any sign of confusion and he lived up to his reputation as a prominent career diplomat. In discussing sensitive issues, he was very careful in choosing appropriate expressions while showing a keen interest in the subjects.

On the bookshelves in one corner of his reception room, there were a particularly large number of history books. Series of history books struck the eye, books such as a four-volume history series on the Korean independence movement, bound in occidental style; an eight-volume collection of materials relating to the independence movement; a reprint of the Songho Essay Series [Songho was a positivist scholar in the era of the 21st King of the Yi dynasty]; and a reprint of the *Annals of the King Sejong Era*. Foreign Minister Kong advises his junior diplomats to read a lot of history books. He said: "Only when you have a good historical sense, can you cultivate strategic thinking in diplomacy. Particularly oriental history offers a lot of precious knowledge to learn. I myself, a senior officer, am lacking in historical knowledge. That is why I am urging my junior officers to try hard to read a lot of history books."

In the opinion of some observers, the current situation around the Korean peninsula is similar to one that prevailed in the last days of the Yi dynasty. That was why, the reporter thought, the foreign minister was trying to find solutions to historical issues. The following is the content of the interview:

[Chong Chong-mun] It seems that the question of the Korean peninsula is getting more and more internationalized. The road to internationalization was paved by the Korea Energy Development Organization [KEDO] formula for providing international support in the construction of light-water reactors in North Korea. The recent overture made by the presidents of the ROK and the United States for four-way talks on the question of peace in Korea may be interpreted as another step toward the active internationalization of the Korean question. All this signifies that the diplomatic and security environment of our country is undergoing a change.

In my opinion, we need to drastically strengthen our diplomatic capability in order to take the positive initiative in coping with this new situation rather than follow someone else's lead. Don't you think it is high time to strengthen our diplomatic capability in terms of strategic thinking, negotiating ability, and expert personnel? I even worried that the current situation in which important developments are unfolding before our eyes may be a little too much for the ROK's diplomatic capability to handle it.

[Kong No-myong] You have just mentioned the proposal for quardripartite talks on the Korean question as an instance of the internationalization of the Korean question. But in my opinion, the proposal for four-way talks is not of that character. The proposal is based on the idea of giving a limited and auxiliary role, in solving the Korean question, to the United States and China—participants in the Korean war—within the bounds permitted by the principle of solving the Korean question by the parties directly involved, namely, North and South Korea. Therefore, I do not think it means the internationalization of the Korean question.

It is clear that relations between nations have tended to become multilateral since the end of the Cold War. Only a few years ago the Asia-Pacific region was the only area in the world which did not have even a single interregional cooperation organization due to the heterogeneity of the countries in it. But now we have various cooperation machines beginning with the Asia-Pacific Economic Cooperation Ministerial Conference [APEC] and including the Asia Regional Forum [ARF] and the Asia-Europe Ministerial Conference [ASEM]. In this way the process of multilateral cooperation is progressing. We need to strengthen our diplomatic capability in order to cope with this growing tendency of multilateral international relations.

The meaning of the words "diplomatic capability" may range from the personal ability of each diplomat in its narrower sense to national strength, that is, the collective ability of the people, in a broader sense. To begin with, when we confine the subject to the capability of our diplomatic personnel, namely, the personal ability in promoting our diplomacy, weight should be given to their basic attainments as diplomats and the need to constantly strive hard to improve on these attainments.

Currently, the brilliant Foreign Ministry personnel who joined the foreign service after passing the foreign service examinations are improving their abilities through overseas training courses and studies in their specialities. Basically, diplomats need strategic thinking to view things from a national strategic standpoint, in addition to administrative ability. Believing that each diplomat speaks for the national interests, I always stress to the Foreign Ministry personnel that they should cultivate an ability to see what the overall national interests are by taking a macroscopic viewpoint. I am striving to see that they cultivate their diplomatic abilities with that in mind.

At the same time, on the national level, the support of public opinion is important in cultivating our diplomatic capability. The public support or desire for finding ways to harmonize our broad national interests with the international environment around us—particularly the political, diplomatic, security, and economic environment in Northeast Asia—manifests itself in terms of our diplomatic capability. When public opinion is divided, diplomats would tend to lose a sense of direction and become confused. As a result, our diplomatic capability would be weakened accordingly.

This means that when all is said and done, the press has a very important role to play in presenting and leading public opinion. In my view, the press also needs to take a bird's eye view of matters relating to national interests from a broad point of view, with keen interest in international relations.

Abnormal Signs in ROK-U.S. Relations

[Chong Chong-mun] When diplomacy leans toward idealism, it is apt to create an air of futility. But in my opinion, given the current rapidly changing diplomatic environment around the Korean peninsula, conducting rational and strategic diplomacy is very important. In your ministry, you have the Institute of Foreign Affairs and National Security [IFANS] to study foreign policy and back up our diplomats with strategic thinking. Do you make much of the outcome of studies there reflected in your policy?

[Kong No-myong] The basic direction is very important in conducting diplomacy. Questions such as, what our national interests are and in what way we can advance our national interests, are under study in various quarters, including the academic world and the press. In the Foreign Ministry, we have the Office of Policy Planning, an organization which examines long- and mid-range foreign policy directions on a regular basis. In addition, 50 persons, including 16 professors and diplomats, are studying actual diplomatic problems and long- and mid-term issues at the IFANS while engaging in research in foreign affairs. Besides, they always examine diverse opinions expressed by various agencies and research institutes in our country.

[Chong Chong-mun] The Korean question is getting entangled and expanded into an issue involving four or six nations. Nevertheless, the ROK-U.S. relationship will be the backbone in dealing with this issue. In spite of this, recently conflicting views between the ROK and the United States have surfaced from time to time over the perception of the prevailing situation and means to cope with it. This phenomenon is unprecedented.

The U.S. Government is showing an unfriendly attitude toward the ROK by hastily and officially refuting the ROK Government's judgment or comment on matters such as: the amount of North Korean troops who took part in the armed demonstrations inside the DMZ; whether or not North Korea diverted the rice shipped from the South to military use; information revealed by North Korean Capt Yi Chol-su who recently defected to the South; and the amount of the North Korean flood damage insurance payments. In the past, even when relations were not so smooth between the two countries, they tried to shield each other. But these days we get the impression that something is going wrong with ROK-U.S. relations. Why are things coming to this path? Is there anything wrong with our diplomacy toward the United States?

[Kong No-myong] To state the conclusion first, the arrangement for mutual cooperation between the ROK and the United States remains very sound. Take the case of Capt. Yi Chol-su, as an example. He said during his news conference that North Korea had a plan to invade South Korea and was making war preparations in real earnest. In response, the United States said that the military threat of North Korea was not imminent. This reaction of the United States was not an indication of any difference of opinion between the ROK and the United States, but rather it was just the U.S. evaluation of Captain Yi's personal assessment of the military strength of North Korea. As for the assessment of the food shortage in North Korea, there are two different opinions: one is that the shortage is more serious than reported; and the other is that the shortage is exaggerated by North Korea. In my view, this gap just stems from the fact that it is next to impossible to obtain accurate information on North Korea.

There is no difference of opinion between the ROK and the United States in foreign policy areas where the two countries maintain cooperation. This is because the two countries coordinate their views, and once an agreement is reached, they execute it as a policy. However, it is quite natural that they have differing views during the process of adjustment. In fact, there have been differences of opinion between the two countries ever since the end of World War II. Following the liberation of Korea, the ROK and the United States differed in opinion over the question of whether or not to place Korea under international trust. The United States, as you know, supported international trust at the beginning. As was the case when the opinions differed over the issue of signing the Korean armistice agreement, each time when the wide-ranging U.S. world strategy had some area in which the U.S. policy was not in accord with our policy, the two sides had to adjust their differences. A sound partnership as allies is forged while making unremitting efforts for such adjustment.

For this reason, in my opinion, the differences of opinion between the two countries over their policies toward North Korea are anything but alarming, and we need not be overly apprehensive of them. Rather, I think that the cooperative ties between the ROK and the United States were never as good as they are now. When our country was under military rule, the greatest cause of friction between the ROK and the United States was the issue of democracy, which concerns basic human values, as well as human rights issues. There are no longer any difference of opinion over human rights and democracy.

[Chong Chong-mun] When it comes to matters relating to foreign relations, everyone thinks that it comes under the jurisdiction of the Foreign Ministry. But, in reality, there are matters the Foreign Ministry can handle and there are matters which can best be handled by other government agencies, or the National Assembly, or even on a private level. You have said that in the domain of diplomacy, the arrangement for official government-to-government cooperation is in good shape. But, there is exists an opinion that ROK-U.S. ties on the parliamentary and private levels are cooling off to our disadvantage.

In fact, inasmuch as the official government-to-government relationship is the basis of bilateral ties, when this phase of cooperative relationship is in good shape, there is nothing about which to worry. But U.S. State Department officials, in particular, seem to be rather narrow-minded in cooperating with the ROK. It might be because of a lack of experience, but it is a fact that we have that impression.

U.S. Offensive in Trade Diplomacy

[Kong No-myong] I do not know whether we can say this [laughter], but let's take the field of trade as an example, putting the field of diplomacy aside for a while. When the ROK and the United States compete with each other in certain areas, naturally there will arise some friction. In the past, when we asked the United States for a particular action, the U.S. Government rejected our request saying that the U.S. Government can intervene in some areas but it cannot in some other areas. These days, however, the United State is doing exactly what we did in the past. In other words, the United States is asking our government to promise to make the private sector buy U.S.-made goods. Given our expanded economy and markets, the United States is clamoring for a larger market share. Depending on circumstances, there will be some requests we cannot comply with. When the scale of our economy was small, military security was the focus of attention in ROK-U.S. relations. But most probably, more complaints will be forthcoming as our bilateral relations expand into diverse fields.

[Chong Chong-mun] Super Article 301 provides that when a concerned business files a complaint against foreign trade barriers, the U.S. Government is required to settle the dispute. Nevertheless, Defense Ministry officials, particularly those in charge of national security affairs, say that consideration should be given to the security interests when dealing with trade frictions between the ROK and the United States. In the past, there was actually such consideration. But I have the impression that since its inception, the Clinton administration has not given much consideration to our bilateral security relations, although it recognizes their importance. It seems that the U.S. Government is intervening directly [in trade] by applying pressures.

[Kong No-myong] Let's take a concrete example. In the early stage of the U.S. offensive to enter the Korean market, USTR officials in charge of U.S. foreign trade visited our country to demand that we open our cigarette and other specific markets. Our trade officials responded by asking them to give consideration to strategic interests by referring to the security cooperation between our two countries. Our officials argued that inasmuch as our country was spending nearly 6 percent of its GNP in national defense as a forward base in the Cold War between East and West, the United States should deal with trade issues with that in mind. The attache case-carrying attorney-turned USTR officials said: "That is outside our jurisdiction. Because it falls under the jurisdiction of the Defense and State Departments, we have to leave that matter to them." So, following this line of argument, the USTR officials presented their case. I think this is the same argument they are using even today.

New U.S.-Japan Security Arrangement

[Chong Chong-mun] Recently, the United States and Japan issued a joint declaration on a new U.S.-Japan security arrangement. This declaration is interpreted as opening the way for Japan to intervene directly should there be a war on the Korean peninsula. A few days ago I met with the ASAHI SHIMBUN editor in charge of Korean affairs. During this meeting, he asked me, "The way has been open for us (Japan) to intervene in case there is a war on the Korean peninsula. What is the ROK reaction to this?" In reply I said we interpret the joint declaration in this way: Let us assume that a war broke out on the Korean peninsula; in this event the United States will come to our aid as a matter of course under the defense treaty, and Japan will assist the United States by providing logistic and other support. Well, what is our government's position in this regard?

[Kong No-myong] Much of the U.S.-Japan joint declaration on a new security arrangement is misinterpreted here. It is not like what our press claims it to be. The purport of the U.S.-Japan" (?agreement on commodity and service accommodation" (ACSA) signed on 15 April and the "U.S.-Japan joint declaration on a new security arrangement" issued on 17 April is that in case of war on the Korean peninsula or elsewhere in the Far East, Japan will lend strong logistic support for U.S. action with materials, services, and facilities.

The joint declaration itself is significant in that it reaffirms the U.S. commitment to maintain peace and security in the Asia-Pacific region even in the post-Cold War era. Our government for its part highly appraises it because in this document the United States and Japan have reaffirmed their readiness to maintain close cooperation with us for peace and security on the Korean peninsula. It is inappropriate to interpret the joint declaration as permitting Japan to directly intervene in case of war on the Korean peninsula. Rather it should be interpreted as having the effect of strengthening the U.S. commitment on the Korean peninsula.

Apart from this, how far Japan can go in terms of modes of cooperation it will provide in the event of war is a current topic of discussion in Japan. Let's take the issue of collective security or collective self-defense as an example. The Japanese Constitution has no provision concerning the right of collective self-defense. According to the Japanese Government's interpretation of the Japanese Constitution, Japan has the right to defend itself in its territorial waters, but cannot exercise the right of collective self-defense outside its territorial waters. However, when the time comes when Japan will free itself from the shackle of the image it had as the imperialist Japan in the World-War-II period and behave as a world leader, should it still continue to maintain the same limits on the right of collective self-defense? Or should Japan join the standing army of the United Nations and contribute troops to UN peacekeeping operations (PKO) as needed? These are moot questions. The issue of collective self-defense will be a major issue as it involves Japan's future and its future course.

For the ROK also, it is an issue we should watch closely. During my meeting with Japanese Dietman Hatoyama yesterday (5 July), I told him that in handling this issue, the Japanese Government should bear in mind the misgivings on the part of its Asian neighbors. I stressed to him that Japan should learn from Germany. As you know, Germany is a member of the collective defense arrangement, but no one in Europe complains that the Nazi army has reappeared. This is because for the last 50 years since the end of World War II, Germany has done its utmost to win the trust of other nations in its relations with them. But take the Japanese attitude toward settling the problems involving the wrongs done to Korea in the past, for instance. Japan should ask itself in profound reflection whether its relations with us are based on the foundation of trust.

From Military Alliance to Regional Alliance

[Chong Chong-mun] A careful examination of the ROK-U.S. defense treaty makes it clear that when either of the signatories is attacked, the other is obligated to aid the attacked. In a broad sense this means that it will be incumbent upon us to go to the aid of the United States in the event the Untied Stats is attacked. There exits an opinion that we had better pave the way to contribute to security in the Far East and to world security as a whole by concluding, though not immediately, a regional alliance. In this connection has the United States ever proposed to us that the ROK-U.S. relations be upgraded to a regional alliance as it did to Japan in the U.S.-Japan joint declaration on a new security arrangement? Even in the absence of any such U.S. overture, is our government considering the possibility of a regional alliance, which may not be a military alliance in character, by putting an expanded construction [on the ROK-U.S. defense arrangement]?

[Kong No-myong] As you know we are currently participating in PKO activities. We are exercising self-restraint in accordance with our policy of not sending troops to a combat zone on our own initiative. However, if the National Assembly approves and the government deems it necessary, our troops can be sent to a place like Boznia as part of the peace-keeping force. As you recall, we took part in the Vietnam war out of our own bitter experience during the Korean war and out of our desire to repay our allies for the sacrifices they made during the Korean war. There is no statutory limitations on such overseas operations.

As for the second part of your question, the United States has never proposed a regional alliance to the ROK. Nevertheless, the two countries share the view that the current ROK-U.S. alliance is contributing not only to the prevention of a recurrence of war and the preservation of peace on the Korean peninsula but also to peace and security in Northeast Asia.

Moreover, the U.S. forces in our country, while regarding it as its primary mission to deter war on the Korean peninsula, are also playing an important role in maintaining balance and stability in Northeast Asia. It may be said that the fact—the that we are providing considerable assistance to the U.S. Forces Korea in terms of services and in other forms—is in itself a contribution to regional security. In addition, seen from the mid- and long-range point of view, the ROK-U.S. relations as allies will develop in conformity with the national interests of the two countries as they cope with changes in the security environment on the Korean peninsula and in Northeast Asia.

[Chong Chong-mun] With the decision to have the ROK and Japan cohost the next World Cup as a momentum, the leaders of the two countries agreed at their summit meeting—in my view, it is high time they agreed even in the absence of that decision—to see far into the future and do something positive and far-sighted which will be beneficial to both countries. But on the other hand, the two leaders evaded the discussion of sensitive bilateral issues, such as the Tokto Island and unsettled historical issues. The overall framework of opinions presented at the summit was good, but it is problematical how seriously the Japanese will follow up the agreement reached at the summit.

[Kong No-myong] Each time the leaders of the ROK and Japan visited each other's country, historical issues, such as the Japanese perception of history as regards its rule of Korea, emerged as the foremost issues. As a result, it seemed that these issues weighed so heavily upon the leaders of the two countries that they felt very awkward toward each other in the first place and had to put a constructive discussion of practical issues on the back burner.

But recently, cooperation between the ROK and Japan on bilateral and multilateral levels has become increasingly important over the question of North Korea and other issues. In particular, because the latest ROK-Japan summit conference came with the decision to cohost the next World Cup as a momentum, the two countries shared the same view that the two leaders should avoid putting discussion of practical issues on the back burner on account of historical issues. As a result, at the latest summit the two leaders were able to discuss in depth ways to strengthen the arrangement for bilateral cooperation for stability and peace on the Korean peninsula and build a forward-looking bilateral relationship through a wide-ranging exchange of views.

Although historical issues were not taken up at the latest ROK-Japan summit meeting, these issues, including the question regarding the comfort women for Japanese troops, were discussed at a separate foreign ministers conference. It is the position of our government that apart from building practical cooperative relations with Japan, we will regard settlement of historical issues as "a matter of principle" and deal with them accordingly, calling what's right, right and what's wrong, wrong.

In my personal opinion, there are two sides to our people's view of the ROK-Japan relationship. One is in favor of nurturing ROK-Japan relations into friendly and cooperative ties in a forward-looking manner; the other is our feeling toward some Japanese who pollute the atmosphere with their "absurd statements" aimed at whitewashing and justifying the wrongs Japan did to Korea in the past. It seems that the two conflicting thoughts—one may be called a forward-looking view, and the other a backward-looking view—are always playing at a tug-of-war.

These thoughts have something in common with the question: Which came first, the chicken or the egg? But in my view, at this point in time, more than 50 years since liberation, it would be better for us to take the initiative and show leniency toward Japan rather than persist in reproaching it for what it did in the past. In other words, I would like to say that we, the victims, can be more lenient and that when we show leniency, those who were the wrongdoers would rather become serious and earnest in their attitude toward us out of a guilty conscience.

The young generation in Japan has a different way of thinking than the way people like Okuno, who recently made absurd remarks, think. First of all, it is encouraging to know that many even in the Liberal Democratic Party [LDP] are very critical of the Okuno statement. The leading officials of the LDP and the Japanese Government are in their fifties. The prime minister, the LDP secretary general, and the chairman of the LDP Policy Research Council all belong to the new generation. Of course, there are still some old anachronistic politicians like Okuno. We should not think, nor is there any need to think, that those old elements represent the good conscience of Japan. I think that it will be good for our mental health to ignore what they say.

On the other hand, we need to pay attention to the international environment from the point of view of how we should conduct ourselves to survive in East Asia in the future. Let us look 20 to 30 years ahead. To the north, Russia remains an uncertain factor, although it has chosen the course of democratic reform. To the west, China still remains under the communist ideology and system, although it is pursuing the market economy and has come a long way in promoting liberalization. Still, we can hardly say that China shares the same values with us.

On the contrary, the ROK and Japan, despite the adverse effects of historical factors, are both committed to liberal democracy. Japan ranks second in our overseas markets and ranks first in terms of foreign investment in our country. In view of the very close bilateral political and economic ties, I like to emphasize that it will be in accord with our national interests for us to view the ROK-Japan relationship from a broad point of view and solidify our friendly and cooperative relationship.

Four-way Talks, China Factor

[Chong Chong-mun] Let us turn our eyes to China. Our proposal for four-way talks calls for the participation of China as a formal party to deliberations of the Korean question. China, a signatory to the Korean Armistice Agreement, is in principle in favor of the proposal for four-way talks. Yet that does not necessarily mean that China supports the ROK. In a way the future of the Sino-ROK relationship will depend on how the Sino-U.S. relationship will develop. Will China after all agree to the idea of "four-plus-two talks" or the format of quadripartite talks currently being promoted upon the initiative of the ROK and the United States? The China factor, when it goes wrong, would become an obstacle to the proposed four-way talks. I am afraid that we may be underestimating the China factor.

[Kong No-myong] In response to the proposal for four-way talks, China has expressed its position that it will play a constructive role for peace and stability on the Korean peninsula as a signatory to the Koran Armistice Agreement. I can clearly say that China is making efforts in its own way for the realization of the proposed four-way talks.

In connection with the proposal for four-way talks, some ask, "Why four-way talks?" or "What happened to the principle of settling issues by the interested parties?" The basic North-South agreement signed in February 1992 clearly sets forth the principle that problems concerning North and South Korea will be solved through dialogues between the North and the South, the interested parties. North Korea is to blame for the fact that we have had to call for four-way talks in spite of that principle. In the past North Korea pressed for a provisional peace agreement and what not, in an attempt to deal with the United States over the head of the ROK. In the end North Korean attempted to nullify the armistice agreement, and this has prompted us to propose four-way talks as a last resort. So we want to bring the United States and China, parties to the armistice agreement, into the game, besides the North and the South, for the purpose of working out a new peace arrangement to replace the present armistice agreement.

China has officially announced its position that until a peace structure is arranged on the Korean peninsula, the current armistice agreement should remain in effect. If and when North Korea accepts the proposal for four-way talks and the talks are set in motion, China will of course sit in on them.

The problem is how North Korea will act. Whether or not North Korea will accept the proposal will decide whether the proposed four-way talks will take place.

Even when the four parties sit in conference, nothing would be accomplished if the North and the South disagree. This means that the United States and China will have to assist the North and South up front, in order to induce them to agree. During the Cheju summit meeting, President Clinton took every opportunity to say that the United States would play a supportive role in every respect from beginning to end, stressing, at the same time, that it would not hold talks nor make contacts with North Korea by leaving the South out in the cold.

Chances of North Korea's Taking Part in Four-Way Talks

[Chong Chong-mun] Isn't it about two months since the proposal for four- way talks was made? It seems that North Korea is pursuing an NCND policy, the policy of neither confirming nor denying. The scope of four-way talks being so large we should not be too hasty. It will take quite some time for North Korea to make up its mind. The NCND policy of North Korea is not too bad because it is better than a flat "No." Nevertheless, because North Korea holds its position in abeyance as it does, we are curious about its real intention. We are optimistic, but is our optimism justified?

[Kong No-myong] I presume North Korea is still pondering the proposal. The merit of the proposed four-way talks is that they carry great weight. The ROK and U.S. presidents made the overture in the form of a joint proposal by reiterating the principle that the United States will not singly negotiate with North Korea on the question of peace on the Korean peninsula.

If the ROK alone had made the proposal for four-way talks, North Korea perhaps would have responded with a flat "No." North Korea is agonizing because the United States has made it clear that it supports the proposed four-way talks. The North Korean people know well that they can hardly avoid isolation without improvements in North Korea-U.S. relations and that they will hardly survive as long as the state of isolation continues. In the event North Korea should reject the four-way talks proposed by the ROK and the United States, that would place North Korea in a tight corner. That is why as long as North Korea strategically thinks that their survival depends on its relations with the United States, the four-nation talks will come off after all.

[Chong Chong-mun] The proposed four-party talks are not important in itself. What the participants, when they meet, will do to ease tension on the Korean peninsula and build a structure for peace, and how they will do it—these are more important matters. What is your strategic plan in this regard? What is the substance of the government's unification diplomacy?

[Kong No-myong] The purpose of the four-way talks is effectively to secure peace and stability on the Korean peninsula by replacing the current armistice arrangement with a peace arrangement. I would say that this is a preliminary step toward achieving the peaceful reunification of Korea. From a mid- and long-range point of view, the government is pushing for the implementation of the North-South basic accord through dialogues.

Let me take this opportunity to state the goal of our government's unification diplomacy. Stated in one word, it is aimed at pushing for improved North-South relations, and openness and reform in North Korea, and at the same time, inducing the United States, Japan, China, Russia, and other neighbors to support the peaceful reunification of the Korean peninsula and contribute to its realization in a constructive way.

[Chong Chong-mun] The ROK underwrote to share the cost of building light-water reactors in North Korea to the tune of $4 billion, provided 150,000 tons of rice to North Korea in humanitarian aid, and delivered relief goods for flood victims through the Red Cross. In spite of all this, the international community has received the impression that we are lacking in compatriotic love or the humanitarian spirit. Is that due to a lack of diplomatic efforts on our part, or is it a reaction to our carrot-and-stick North Korean policy?

[Kong No-myong] In my opinion, to enlist public support in offering food to North Korea in humanitarian aid, it is essential for the government to have objective and reliable information and an accurate evaluation of the food situation and the amount of food stocks in North Korea. As you know, there is a large gap among governments, international agencies, and private organizations in various countries in their evaluation of the food situation in North Korea. That is why we are very cautious in dealing with the question of providing food aid to North Korea. Our government's cautious approach may be open to unfavorable opinions. Nevertheless, this is a matter concerning information and judgment on the food situation in North Korea and has nothing to do with humanitarianism.

Since the 1995 flood damage in North Korea, our government has delivered 150,000 tons of relief rice to North Korea out of compatriotic love and humanitarianism, in spite of the gap in the evaluation of the food situation in North Korea. The prices of the rice delivered were about five times the international market prices. Recently, in response to the second appeal of a UN agency, our government is delivering $2 million in cash and $1 million-worth of nonfat milk powder in aid of North Korea. The UNDHA [United Nations Department of Humanitarian Assistance] and the World Food Plan (WFP) have expressed thanks in appreciation of our aid.

North Korea's Soft-Landing

[Chong Chong-mun] With regard to our policy toward North Korea, four options are possible, namely, thoroughgoing blockade and isolation of North Korea, conditional engagement, unconditional engagement, and innocent indifference. Which of these options do you think is the one that is most appropriate and persuasive to the international community?

[Kong No-myong] The basic direction of our policy toward North Korea is clear. In brief, it is directed at: first, maintaining peace and stability on the Korean peninsula; second, inducing North Korea to become a responsible member of the international community through openness and reform; third, negotiating all pending issues through North-South dialogues, and ultimately, achieving national reunification by peaceful means.

In this connection, holding dialogues with North Korea is important. Because a peaceful settlement can hardly be expected without dialogues, our government has consistently called for North-South dialogues. Don't you agree that it is dialogues that will enable us to fill the schism of distrust and explore the road to peaceful reunification.

I do not know which of the categories you have mentioned this fits into, but if you insist, I would say it falls under the category of constructive engagement. All our aid to North Korea—aid for the construction of light-water reactors, rice aid, and measures for easing restrictions on private investments in North Korea by our private firms—is part of the policy of engagement aimed at inducing North Korea to openness. Constructive engagement by the international community is also a necessity. But such engagement should be sought in such a way as to contribute to improving North-South relations, and any unprincipled or alms-giving North Korea policy should be avoided.

[Chong Chong-mun] The Clinton administration is studying various new approaches in the formulation of its policy with regard to security on the Korean peninsula and its North Korea policy. They include the ideas of "soft-landing," "cooperative security," "going beyond deterrence," "baling out North Korea," and "embracing North Korea." But when it comes to helping North Korea with its survival, the policy is obscure as to who should be helped to survive. To whom should help be offered, Kim Chong-il, or the North Korean populace, or the North Korean regime? For this reason, voices strongly critical of the moves to bail out the Kim Chong-il regime, as well as voices calling for an "early collapse of North Korea" are raised in some Republic party quarters. What is our government's stand in this regard? I am anxious to know whether our policy is on the same track with the U.S. policy for soft-landing, or whether the doctrine of cooperative security is practicable—this doctrine subsumes North Korea to be a potential partner in cooperative security on the assumption that North Korea ceases to exist as an enemy.

[Kong No-myong] Recently, the policy of soft-landing has become a topic of conversation in the country. The goal of this policy is to avoid a sudden collapse of North Korea and induce gradual changes in North Korea until reunification is realized. The ROK and the U.S. Governments share the same view that in pushing ahead with this policy, it is essential to prevent North Korea from entertaining ulterior motives, that is,to prevent the possibility of armed provocation, and to this end, maintain a firm joint defense posture by the ROK and the United States.

I take a somewhat restrictive stance with regard to conditions of soft-landing. Soft-landing literally means landing a plane at the end of a flight. In this case, the pilot of the plane is not we but North Korea. If we want the plane called North Korea to make a soft-landing, we need to put necessary conditions in place. What are these conditions? First, there must be an airfield because it is impossible to soft-land a plane on any field. We are prepared to build an airfield, but it depends on the pilot whether the plane will land in the airfield or crash into a mountain head-on.

The question of whom to help survive is being raised within the Republican Party in the United States because the North Korean leadership does not show any determination to seek reform and change to overcome the difficulties. We provided 15 tons of rice with no strings attached, but this did not lead to North-South talks. That is why people feel frustrated and are criticizing the government, causing an unfavorable backlash against North Korea.

The same is true in the United States. The main content of the joint message written by Republican Senator Jesse Helms, chairman of the Senate Foreign Relations Committee, and Representative Roberts, chairman of the House Agricultural Committee, points out that despite the total of $8 million in food aid to North Korea ($2 million delivered last year and $1 million lately) North Korea's policy has remained unchanged. For the same reason, I say that there should be conditions attached to any measure designed to help North Korea make a soft-landing. North Korea should have the will to carry out reform in earnest and make efforts to move toward democracy. In addition, there should also be improvements in human rights in North Korea.

[Chong Chong-mun] There could be interagency frictions over the line of demarcation for their jurisdictions among the agencies conducting trade diplomacy, or security diplomacy, or military diplomacy, or handling North-South relations, due to the nature of their duties. The U.S. Government has a mechanism to work out integrated foreign and security policies. Do you see any need to set up a similar apparatus within the Office of the President in order to resolve interagency frictions and complaints and formulate integrated policies through interagency cooperation?

[Kong No-myong] Before considering the question of whether or not it is necessary to set up a mechanism like the National Security Council (NSC), we must first ask ourselves how to execute our foreign policy in a more effective and integrated manner. In the case of the United State, it is essential to coordinate the duties of various agencies concerned and work out an integrated security policy in order to deal with various international problems, such as nuclear proliferation, terrorism, and human rights violations, not to mention the prevention of regional conflicts, by exercising its "global power." In our case, however, we pay primary attention to security on the Korean peninsula and the reunification of Korea; accordingly, the need to coordinate the duties of various agencies arises for different reasons. The (?Policy Coordination Council on Unification and Security), established in 1994 is performing functions similar to those of the NSC in the United States. Each time an important issue relating to foreign policy and security arises requiring interagency consultations, the council is called into session to coordinate policies among various agencies concerned to work out an integrated foreign and security policy. In this way the council has been functioning smoothly.

[Chong Chong-mun] During the 1988 Seoul Olympic Games, international cooperation in maintaining the security of the game was made possible by the agreement reached between the United States and Russia to make the Seoul Olympics a success, thanks to the Russo-U.S. detente mood. But the 2002 World Cup will take place under different international circumstances. The ROK will have to shoulder the primary burden of solving security problems involving the games upon its own initiative. Do you have any plans in your mind in this regard?

[Kong No-myong] The security of the 2002 World Cup is a very important issue for the success of the games. I believe that various interested agencies will do their best by, among others, setting up their own ad hoc machinery for close cooperation. The Foreign Ministry for its part will do everything possible to make an arrangement for international cooperation. In particular, because the 2002 World Cup is to be cohosted by the ROK and Japan, the security issue will be solved without much difficulty if the two countries devise a mechanism of close cooperation.

[Chong Chong-mun] You have worked in the foreign service for 37 years, and now you are at the helm of our foreign diplomacy. Therefore, in my opinion, you are fully in a position to say what a typical diplomat is like, for instance what a ROK diplomat should be like, and how ROK diplomacy should be conducted. Would you say a few words in conclusion?

[Kong No-myong] I tell my juniors, first of all, that character is most important for diplomats. As is the case with all other professions, diplomats must cultivate human virtues before being professionals. In other words, I believe, they should be persons imbued with sincerity. As Nicholson, the author of "(?A Discourse on Diplomacy)," pointed out, sincerity is one of the virtues of diplomats.

In addition, a diplomat must have an outstanding international sense. As we are approaching the threshold of an advanced country from the status of a developing country in a short period of time and as we are advancing on the course of internationalization, it is quite natural that diplomats charged with the role of a sentry should have a good international sense and expert knowledge in their respective fields of specialty. To this end, they need to have an ability to express their opinions in foreign languages freely. I stress to my junior diplomats that they should apply themselves closely to their duties while cultivating these qualifications.

ROK: Korea University Decides To Shut Down Hanchongnyon Office

SK2208121796 Seoul YONHAP in English 1142 GMT 22 Aug 96
—Semiofficial news agency of the ROK

[FBIS Transcribed Text] Seoul, Aug. 22 (YONHAP) — Korea University Thursday decided to close down the head office of Hanchongnyon (Federation of University Student Councils) and some illegal ideological student clubs housed at its student hall.

The school also resolved to prohibit TOEIC [test of English as international communication] and all other language lectures the student council sponsor during the summer vacation and ban students' access to the student hall after midnight.

The decision was based on the Education Ministry's instructions Wednesday that colleges and universities ban all profit-making projects undertaken by student councils and deny office spaces for illegal ideological student activities.

Upon the decision, Chong Yon-su, deputy chief of the University's Students Affairs Department, and about 20 other school officials proceeded to the Hanchongnyon head office and tried to close it down but in vain due to resistance by about 100 students.

"There will be strong student resistance for the time being, but the school intends to carry through what was decided on Thursday," a school official said.

Hanchongnyon students, on the other hand, complained that the school authorities tried to suppress student activities taking advantage of the Yonsei University incident.

"We have been using a small space of the office of the Korea Univ. Student Council with the council's permission," a Hanchongnyon student said.

ROK: President Reiterates Resolve 'To Uproot' Pro-North Forces

SK2308090296 Seoul YONHAP in English 0853 GMT 23 Aug 96
—Semiofficial news agency of the ROK

[FBIS Transcribed Text] Seoul, Aug. 23 (YONHAP) — President Kim Yong-sam on Friday reiterated his resolve to uproot pro-North Korean forces, saying that the recent violent demonstrations by Hanchongnyon or the Korean Federation of University Student Councils were different in essence from the past student movements.

Hanchongnyon engineered the recent violent protests at the Yonsei University campus in Seoul.

"The violent demonstrations waged by Hanchongnyon represented a serious situation different from the student movements of the past in terms of benefiting the enemy and violence, and therefore must be dealt with sternly," the chief executive said.

While addressing the editorial and news bureau managing editors the YONHAP News Agency, newspapers and broadcasting stations in the capital over a luncheon he hosted at Chongwadae [presidential offices], Kim asked them to "play a leading role in educating the citizens on the ideology and values of liberal democracy."

Referring to the country's current economic situation, he said, "It is a high time that the nation rallies its resourcefulness and wisdom to overcome its economic woes." Kim then called for the eradication of excessive consumption and luxury and living a diligent and frugal life.

With respect to his scheduled visits to a number of Latin American countries in September, Kim said he will conduct summit diplomacy "as a salesman representing the country."

Also on hand for the occasion were Information Minister O In- hwan, Chief Presidential Secretary Kim Kwang-il, Senior Presidential Secretary for Political Affairs Yi Won-chong and chief presidential spokesman Yun Yo-chun.

Burma

Burma: PRC Troops in SLORC Uniform Reportedly Enter Loilam

BK2208130696 (Internet) BurmaNet News in English 22 Aug 96

[Report by Voice of the Peacock of the All Burma Students' Democratic Front]

[FBIS Transcribed Text] 1,000 Chinese troops in SLORC [State Law and Order Restoration Council] army uniforms went into Loilam Township, near to Homong Headquarters of Khun Sa's Mong Tai Army two weeks ago. Very recently, another 1000 Chinese troops in SLORC military uniforms sneaked again into Shan State in Burma.

It will be Khun Sa who asked the Chinese troops to do security for him and his opium production and trade, as his army became weak after the split of Karn Yod's faction, and there is much dissension among Mong Tai Army officials and possible mutiny in it, said the source.

Maj. [Major] Sein Win, Capt [Captain] Ko Ko Aung and Sergeant Thein Win of SLORC Military Intelligent Unit have been involved in opium production and trade at Mong Set and Mong Sai regions in Shan State.

Burma: Report Details Charges Against NLD's Win Htein, Team

BK2208122896 (Internet) BurmaNet News in English 21 Aug 96

[Unattributed Report]

[FBIS Transcribed Text] Information regarding sentence of Win Htein [Aung San Suu Kyi's aide-de-camp] (NLD) [National League for Democracy] and team has been released by Myanmar [Burmese] Authorities and we are reproducing it for our readers' information.

Win Htein and Team Sentenced

Under the instruction of Win Htein some NLD members, former members and locals were sent out to collect information on agriculture development in various parts of the country. Among those who went out to collect information, Po Aye and Htein Lin from Hlaingthaya Township, Yangon [Rangoon] concocted with Win Htein and deliberately sent false data and information through Win Htein to Mrs. Aris's (Suu Kyi) residence after their return from various townships in Yangon [Rangoon] and Ayeyarwaddy [Irrawaddy] Divisions.

Similarly, Hla Tun Aung and Kan Shein from Henzada Township recorded with a video camera some few plots where summer paddy was not growing well. This was done with the intention of showing the recorded tape to Mrs. Aris and the NLD central executive committee and later to be sent to the U.N Human Rights Commission so that they can trick U.N.H.R.C into believing that the farmer are forced to work in a project which was a total failure. This recorded tape was also sent initially to Win Htein to be screened.

Under the present circumstances, those (5) person were put on trial and the Insein Township Court found them guilty of spreading false information to destabilize the existing peace and tranquility in the country. The court sentenced Win Htein, Po Aye, Htein Lin, Hla Tun Aung and Kan Shein to (7) years of imprisonment under the Emergency Act (5) Nya [J], on the 15th of August 1996.

Hlaing Myint and Team Sentenced

In order to agitate and incite civil unrest through students and youth, Hlaing Myint (a) [alias] Billy Mckenzie attempted forming of illegal youth organizations by monetary fundings, distribution of anti-government papers and video tapes. In the process of carrying out illegal activities, Hlaing Myint contacted Kyaw Khin (NLD, Taunggyi) to obtain recorded video tapes with anti-government messages broadcasted from foreign TV stations. Kyaw Khin also made several copies to be distributed among students through Maung Maung Wan.

Under the present circumstances, Hlaing Myint, Kyaw Khin and Maung Maung Wan were put on trial and the Insein Township Court found them guilty of breaching the 1985 Television and Video Law, Act (40) — which they were sentenced to (3) years imprisonment and also another (7) years of imprisonment under the Emergency Act(5) Nya, on the August 15th of August 1996.

Burma: Opposition Reports Activists Sentenced to 10-Year Terms

BK2308062596 Hong Kong AFP in English 0512 GMT 23 Aug 96

[FBIS Transcribed Text] BANGKOK, Aug 23 (AFP) — A group of 19 pro-democracy activists who the Burmese government said it had taken "action" against have been sentenced to 10 year jail terms, an opposition source said Friday.

The 19 members of Aung San Suu Kyi's National League for Democracy (NLD) were charged with violating the country's strict public security laws, for which they received seven year terms, an NLD source in Rangoon said by telephone.

They were sentenced to an additional three years each for breaching the 1985 Television and Video Act, which restricts the distribution of video tapes and film containing material considered critical of the government.

"They were accused of distributing video and audio cassettes of the weekend speeches," the NLD source, referring to the twice-weekly addresses Aung San Suu Kyi delivers to thousands of supporters outside her home.

Burma's official media reported Thursday that "action had been taken" against the 19 NLD members for distributing anti-government material and conniving with outside forces to destabilize the country.

All 19 were sentenced in the past week, the NLD source said, adding the group included Hkun Nyint Tun, who was elected to parliament in the 1990 elections which were overturned by the military.

At least 30 NLD members have been sentenced to lengthy prison terms in the past week, drawing condemnation from the US government and hints that economic sanctions could be imposed against Burma.

Another 11 people who were detained in an official attempt to scuttle a key pro-democracy meeting in May were given seven to 10 year sentences on August 15, according to a statement from the Burmese embassy here.

The NLD source said the opposition was still waiting for word on Aye Win, a close aide to Aung San Suu Kyi, responsible for her relations with the foreign press, who was also taken into custody in May.

Burma: Paper Sees Support for Suu Kyi Declining

BK2308051996 Bangkok THE NATION in English 23 Aug 96 pp A9, A10

[Article by freelance writer Aung Zaw: "The Trouble with Suu Kyi"]

[FBIS Transcribed Text] Fifty-four University Avenue, Rangoon — opposition leader Aung San Suu Kyi's house. Senior executive committee members disperse after a meeting. One member walks out of the compound not knowing he is being followed.

He heads to a downtown Rangoon tea shop where he delivers a tape containing meeting records to a man known to be a military intelligence officer.

Shortly after, the events are reported to the National League for Democracy [NLD] leadership.

The often brutal war of wills between Burma's ruling military and the opposition party has created a state of fear that makes every member of the NLD very careful about discussing or making plans. But the atmosphere of mistrust generated by the military's oppressive rule is also succeeding in eroding away popular support for Suu Kyi.

"The lady is very secretive. She should have put all her cards on the table. We don't know what she is planning and doing," said a Rangoon doctor who is sympathetic to the opposition movement. The ruling junta is equally unpredictable. Its May arrest of hundreds of NLD supporters injected new life into Suu Kyi's hard-pressed campaign for democracy, leading some to predict that there might be dialogue soon. To date the junta has shown no sign of compromising and most recently have taken to referring to Suu Kyi as Mrs Michael Aris, the name of her British husband.

But even if there is a dialogue in the future, activists complain that they won't know because Suu Kyi won't confide with anyone but a handful of top NLD members, one analyst said.

Coupled with frustration about Suu Kyi's secret ways, there is also growing unease among some opposition members and Burma watchers about the Noble Peace laureate's leadership.

Former NLD member and intellectual groups are increasingly expressing their dissatisfaction with the NLD. "We were very very excited in May because we thought some positive change would come out but nothing happened," says one activist who was freed from Insein jail last year. Some have even accused Suu Kyi of being out of touch.

The ruling State Law and Order Restoration Council [SLORC] has effectively barred Suu Kyi from travelling to the countryside but she can visit a few places in Rangoon. Recently, she attended a funeral of NLD member who died in prison.

"She is very popular but she needs a better strategy to confront the junta," said a student in Rangoon.

She is also not short of enemies.

"Local and foreign businessmen in Rangoon hate her because she called for sanctions," noted a Rangoon-based diplomat, adding that her influence over foreign and local businessmen appears to be minimal. A foreigner who met Suu Kyi recently said: "Nobody can fail to be impressed by Aung San Suu Kyi to some degree. But I hope she knows what she is doing because I have doubts and I think a lot of people doubt the way she operates."

He stressed that it was difficult to gauge what the general population thinks of Suu Kyi but noted large numbers of people still gather to listen to her weekend speeches despite the bad weather of recent weeks.

In addition, the party is continuing its regular intellectual discussions which attract many influential writers, poets and professors, he said.

But regarding a political dialogue between the junta and Suu Kyi he said: "There is nothing to indicate that there will be a dialogue."

At the May congress, Suu Kyi's party moved to draft a constitution, a decision what was criticised as "a big mistake" by some foreign observers.

"She needs to understand who she is dealing with," said a diplomat in Bangkok.

"I think Aung San Suu Kyi should find a Burmese way to deal with the generals — she should not forget that they were the ones who put her under house arrest for six years."

Suu Kyi has insisted that the NLD had a right to draft a constitution as it won a landslide victory in the 1990 general elections.

But the diplomat said the opposition leader was being too confrontational — "That might work somewhere but not in Burma — don't forget that Burma is ruled by medieval military leaders, he said.

Still, other analysts argue that Suu Kyi is a powerful symbol of the opposition and remains a force to reckon with.

Said a famous writer in Rangoon: "Many still like her."

And many artists, writers, intellectual groups remain committed to the struggle for democracy. "Everyone hates the SLORC," he said. There is no opposition but only the NLD and there is no leader who dares to speak out and challenge the junta except Aung San Suu Kyi, so we support her."

Meanwhile, sources inside Burma said former politicians and former comrades of Gen. Ne Win such as Thakhin Lwin, Dr Maung Maung Kyaw, Bohmu Aung, Widura Thakhin Chit Maung are planning to release a statement urging dialogue.

In November last year the same group sent a first and rare statement to the SLORC chairman calling for a political dialogue between Suu Kyi and the military rulers. They were summoned and told not to do it again.

Whether they like it or not, the junta has no choice but to eventually sit down with the lady, says one dissident, "Because there is growing dissent among the public," he added.

A former NLD member Aung Saw Oo accused the junta of buying time. "There is no reason to delay negotiations with the opposition any longer," he said.

Shortly after her release, Suu Kyi told her supporters not to expect to much too soon. "You must have patience and courage and self-control," she said. But there are signs than patience may be running out.

Indeed, "The Lady" herself knows being a political figure in Burmese politics is not easy. Her slain father Gen. Aung San is a symbol of the treacherous nature of Rangoon politics.

Burma: Over 150 Karenni Refugees Reportedly Die in Kayah State

BK2208133096 (Internet) BurmaNet News in English 21 Aug 96

[Press Release by the All Burma Students' Democratic Front on 20 August — place not given.]

[FBIS Transcribed Text] At least 150 newly-relocated Karenni refugees died within the month of July at the new relocation site in Shar Daw town, Karenni [Kayah] State, claimed by a Karenni refugee who has spent some time in the relocation site and recently arrived to Thai-Burmese border.

Local Karenni villagers living in 98 villages between Pun Creek and saloon [as received] river in Karenni State were forcibly ordered to move to new relocation site in Shar Daw town by June 7, 1996. Anyone found after the deadline would be shot, according to an order issued by Regional Command Military Strategy Headquarters based in Loikaw.

Without assistance by the authorities and lack of medical care, at least 150 Karenni, most of them were children and elderly, died of malaria and diarrhea in July, according to U Pe Reh, a Karenni refugee who has spent some time in the new site and escaped to Thai-Burmese border recently. "People had to stay in monasteries and churches with extremely crowded condition and no medical assistance was given. At least 4-5 people died daily," said U Pe Reh.

Similarly, about 2,000 refugees arrived to the border area are also facing with the same health problem. "At least 10, most of them are children, died of malaria and diarrhea since July and many are ill," a medic working with the Karenni refugees explained. "Many of them got sick or seriously ill due to their hard journey to the border and heavy rain on their way," said by refugee worker working with the recently arrived Karenni refugees. "There are many Karenni hiding in the jungle because they neither go to relocation site nor could manage to walk to the border. We do not know their plight, but believe their situation would be worse," added by other worker.

Addition to the death of disease, many Karenni villagers were killed by the SLORC [State Law and Order Restoration Council] troops for failing to obey the order. All the barns were burnt and people were shot in the deserted village. In the last week of July, U Law Reh, 53-year-old Karenni from Daw Tama village was burnt to death along with his house while he was inside, said a 70-year-old refugee woman from the same village. She was left behind in the village because she could not walk to the border. She arrived two days ago to border along with two companions since she dare not to stay anymore in the village.

Bu Me, a 50-year-woman from Daw Hti Kaw Le village was dragged our from her house by the LIB [light infantry battalion] 305 in the last week of July and shot twice at her stomach. She died constantly [preceding word as received] according to Ngar-Reh, an eyewitness from Daw Htaw Vee Me Le village.

SLORC has also issued the order of forced relocation to the villages in Pru-so Township to move to the new site under their control. "SLORC is undergoing its infamous four cuts operation to suppress the Karenni forces. The innocent Karenni people are vulnerable under this cruel operation" an official from Karenni National Progressive Party said. "We hope many more refugees will be arriving, but current heavy rain and flood make them difficult to get here." he further said.

ABSDF [All Burma Students' Democratic Front] News Agency ABSDF (DAWN GWIN)

Burma: Junta Reportedly Tortured, Killed Villagers in MTA Area

BK2208154896 (Internet) BurmaNet News in English 21 Aug 96

[Shan Human Rights Foundation Report dated 1 August posed on BurmaNet by the Shan Herald Agency News on 21 August]

[FBIS Transcribed Text] Narng Poo, wife of Zarae Kaeng Haao in Murng Thar (an area formerly controlled by MTA [Mong Tai Army] and now occupied by SLORC [State Law and Order Restoration Council] troops, opposite Wiang Haeng district, Chiang Mai province of Thailand), reported to the SLORC troops that a man named Ai Khin had stolen her gold. Ai Khin, a native of Nar Parng village, Ha Wan circle, Ke-hsi Township, was working at Murng Nen. He was arrested by SLORC soldiers on June 19, 1996, and was tortured and asked not only about the stolen gold but also about hidden weapons as well. After unbearable torture, he told them he did not know about the hidden weapons, but a man named Ai Mon might know. Ai Mon was the son of Loong Yan Na and Pa Kham, who live in Murng Nen.

At the time, Ai Mon was at Look Maw Kharng village, two and a half hours' walk from Murng Nen. So the soldiers went after him and arrested him and his brother Ai Sarn, together with 4-5 other villagers. The troops made them stand in line and fired their guns aiming just above their heads. After that they questioned and tortured Ai Mon, they tied and beat him, burned him, cut his lips, cut his flesh, buried him in the ground up to the neck, forced him to eat the flesh which they had cut from Ai Khin's thigh, and cut his flesh and make Ai Khin eat it. Ai Mon, unable to endure the agony, revealed a place where they found rockets, mines and ammunition — enough for a mini-truckload. But, saying he had not given them all, they continued to torture Ai Mon and some other villagers.

Ai Mon's daughter, Narng Horm, aged 2, was tied with a rope and hung upside down by the legs, and they put a knife to her throat in front of Ai Mon, threatening to cut it if he did not tell them the truth. They also tied up and beat both his parents and his wife.

They arrested a woman named Pa Lu (wife of Pu Lao) who has a daughter named Ee Pee, aged 8, and a 10-month-old adopted baby (whose mother had died in labour). They bound Ee Pee's hands and dragged her along, forcing her to go into the forest barefoot to search for the weapons the whole day. The 10-month-old baby was left crying alone for one day and one night.

They also arrested a man named Loong Soi, aged 43, a native of Murng Kerng, and accused him of being an MTA member who had not surrendered and was keeping hidden property. They beat him with 2x3 wooden planks, while asking the whereabouts of the concealed weapons until he passed out. When he came to, they beat him again with their fists until his face was swollen all over. Then, on July 7, 1996, they forced him to watch while they tortured Ai Mon and Ai Khin, threatening him that he would suffer the same fate if he did not tell them the truth. In front of Loong Sai, who had been dragged out from the bamboo foot-locks in which he had been kept during the previous days, they pricked out Ai Mon's eyes and let them hang dangling over his face, cut off his ear, pierced his nose and hung the ear to it, and cut many deep scars into his arms. They cut off a lump of flesh from Ai Khin's right thigh, pierced it with a stick, heated it on a fire and forced Ai Khin himself to eat it. All this was done while both were still alive and while Loong Soi was forced to watch it. Finally, they killed both Ai Mon and Ai Khin, and took Loong Soi to Murng He to search for more hidden weapons.

Others who were beaten during that time were:
— Ai Sarn, Ai Mon's brother
— Narng Zung, Ai Sarn's wife, and their daughter Be Pawk, aged 2
— Pa Lu and her daughter Be Pee, aged 8
— Ai Parng, 22, son of Loong Kham and Pa Noa
— Pa Long, 35, wife of Loong Ta, native of Sanin, Loi Lem Township
— Ai Work, 18, son of Loong Orng and Pa Ae: they burned his groin, plucked the hair and forced him to eat it.

Zao Sarng Mon, former colonel of the MTA who still holds some civilian power, heard about this, and went to pledge their innocence, after which they were released. Twelve people, including children, had been held without food or water from June 29 to July 06. Loong Soi was released at Murng He on July 10.

These atrocities were committed by SLORC No. 542 Battalion, Company 4, led by Company Commander Myint Kyaw. It was said that Narng Poo had bribed them with 1 baht [15.2 gm] weight of gold and 5,000 Baht to persuade them to investigate of her gold.

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Mahathir Meets Argentine President, Accords Signed

BK2308100896 Kuala Lumpur Voice of Malaysia in English 0800 GMT 23 Aug 96

[FBIS Transcribed Text] Malaysia and Argentina are looking forward to an increase in bilateral activities covering all areas including trade, economic, cultural and social fields. This follows the visit of President Carlos Menem to Malaysia.

Foreign Minister Datuk Abdullah Ahmad Badawi said this when briefing reporters on the discussions between Prime Minister Datuk Sri Dr. Mahathir Mohamed and the visiting Argentinian leader in Kuala Lumpur.

He added both leaders agreed that bilateral relations between the two countries are very well established. There should be growth in air transportation for passengers as well as cargo.

Mr. Menem gave his assurance that Argentina will consider Malaysia's request for an increase in air frequencies for Malaysia Airlines, MAS, to Argentina.

At the same time the two leaders also discussed the improvement of sea transportation through the use of bigger ships to enable more goods to be transported and to reduce the cost of transportation in view of the distance between the two countries.

At the meeting, they agreed that both Malaysia and Argentina will act as a focal point for the distribution of goods to other countries in the respective continents.

Datuk Abdullah said Malaysians would be having close consultation with Agentinian group on how to establish the distribution points. Both countries want centers to be established as soon as possible to enhance trade.

Malaysia and Argentina also agreed to continue consultations on subjects regarding the reorganization of the United Nations and the restructuring of the Security Council, as well as the coming World Trade Organization meeting.

The two leaders also emphasized the importance of the G-15 [Group of 15 developing countries] as a group to serve as a catalyst to intensify South-South cooperation.

It is important for such cooperation to succeed as countries in the South have also developed their own markets.

According to Datuk Abdullah, Dr. Mahathir particularly mentioned the need to pursue a policy to help each other to prosper.

After the meeting, Mr. Menem and Dr. Mahathir witnessed the signing of various agreements. The first to be signed was an air services agreement which was endorsed by Transport Minister Datuk Sri Dr. Ling Liong Sik and Argentinian Minister of Foreign Affairs and International Trade Dr. Guido Di Tella. Dr. Di Tella also signed a memorandum of understanding for cooperation on tourism between Argentina and Malaysia, which was represented by Culture, Arts and Tourism Minister Datuk Sabaruddin Chik.

Another MoU [memorandum of understanding] on mutual cooperation on trade promotion was signed by Malaysia External Trade Development Corporation chief executive Shamsuddin Mahsob and Marcello Avorgardo of Fondacion Export Argentina.

Cambodia

Cambodia: Pol Pot's Position Said Threatened by Khmer Rouge Infighting

MS2308103296 London THE TIMES in English 23 Aug 96 p 17

[Report by James Pringle: "Pol Pot Sidelined as Khmer Rebels Turn Capitalist"; all names as published]

[FBIS Transcribed Text] Checkpoint 6, Thai-Cambodia Border — Pol Pot, the infamous Khmer Rouge leader, is alive but could soon find himself cornered and short of funds to pursue his struggle against both the Cambodian Government and a breakaway group led by Ieng Sary, a former right-hand man who allegedly plundered Khmer Rouge coffers.

In an ironic twist, the fanatical group, which abolished cash and blew up the central bank when it fought its way to power in Phnom Penh in 1975 is now breaking up in a fight over money and property. "Pol Pot is alive, but I think he is finished," a senior Thai military officer said at Checkpoint 6, just 150 yards from the Cambodian border opposite the heavily fortified rebel stronghold of Phnom Malai.

Well-informed Thai sources and rebel Khmer Rouge put Pol Pot's likely present position at Anlong Veng, the Khmer Rouge headquarters in northern Cambodia. It is the base of the one-legged General Ta Mok, one of the group's most capable but ruthless military commanders and political hardliners.

Anlong Veng is in a less rich region, with fewer hardwood trees and fewer gems. Analysts speculate that, China having cut funds when the Khmer Rouge withdrew from the UN-sponsored peace process in 1993, the hardliners could soon be desperate for cash to buy weapons and ammunition.

The rebels, headed by Ieng Sary, 67, with military commanders Sok Pheap and Ei Kim Chien, are in charge of an area that includes Pailin, the centre of mining for precious rubies and sapphires, and hardwoods.

The Thai officer said that, if Pol Pot had died in early June, as had been rumoured, the Thai forces that watch the border — and monitor Khmer Rouge communications — would have heard. "At least there would have been a ceremonial funeral, but there has been no sign of that," he said.

Khmer Rouge rebel factions here insist they have not defected to the Phnom Penh side, though negotiations continue.

Analysts say Thailand will welcome the split because, if the rebel faction is recognised by Phnom Penh, and thus obtains legitimacy, Thai businessmen will once more be able to trade openly in Cambodia's depleted natural resources.

That trade was broken off officially after the Khmer Rouge withdrew from the UN peace process in 1993, but has recently been quietly resumed by some companies. The rebel Khmer Rouge certainly seem flush with wealth, despite the odd bullock cart. They earn an estimated $10 million (6.5 million pounds) a month from the sale of rubies, sapphires and hardwoods. On the Cambodian side of the border here, they drive Land Rovers bought in the eastern Thai seaboard town of Chantaburi.

Fighters sport trendy RayBan sunglasses. Some of the leading cadres use mobile phones and watch worldwide news on satellite television. Thai sources say some have travelled on black market Thai and Lao passports, have dabbled in Canadian property, and are educating their children in Thailand or overseas. Ieng Sary's children were earlier said to be at school in Britain.

Sam Rangsi, the Phnom Penh opposition leader, has suggested that the Khmer Rouge will be more dangerous to the Cambodian rulers if they do join the political process leading up to elections in 1998. A Khmer Rouge alliance with either of the two coalition parties would boost the chosen party's political campaign.

"The Khmer Rouge is damaged but not finished," said one analyst in Bangkok. "The new generation of younger cadres are able, and not widely known in Cambodia."

In Phnom Penh yesterday Prince Norodom Ranariddh, the First Prime Minister, said he would propose the lifting of a 1994 law banning the Khmer Rouge, saying it would be possible to tackle national reconciliation directly. Prince Rannariddh said he and Hun Sen, the Second Prime Minister, had agreed that only King Norodom Sihanouk had the power to grant an amnesty to Ieng Sary, sentenced to death in 1979 by the then Vietnamese-backed Government for crimes against humanity.

Prince Sihanouk said he would consider such a move if asked by the assembly, but he still preferred the setting up of an international tribunal to try Pol Pot's ruling clique.

Cambodia: FUNCINPEC Official on Legal Position of Khmer Rouge

BK2308040896 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 23 Aug 96 pp 1, 2

[Report by Srei Neat]

[FBIS Translated Text] At noon on 21 August a REAKSMEI KAMPUCHEA correspondent interviewed Loy Simchheang, first vice chairman of the National Assembly and secretary general of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia], on a number of issues relating to the defection of the Khmer Rouge group.

Following is the interview in its entirety.

[REAKSMEI KAMPUCHEA] What are your views on the breakaway of the Khmer Rouge in Pailin and Malai?

[Loy Simchheang] This should be studied because it is involved with politics. This should be further studied.

[REAKSMEI KAMPUCHEA] Do you welcome the breakaway?

[Loy Simchheang] I want to tell you this before saying whther I welcome it of not. I want to make a legal analysis. The Khmer Rouge group is an outlawed one. Within the Khmer Rouge group there are two parts. First the leaders whom the law refers to as those who have committed genocide; and second, the entire group. This entire group, in legal terms, is already illegal because it has been outlawed.

If we welcome fellow countrymen speaking the same language and having the same traditions, we have no will to reject them. However, in order to welcome them, what should we do? Legal procedures just cannot be implemented whimsically. The legislation outlawing the Khmer Rouge has to be suspended first because this law is still in effect; therefore the Khmer Rouge group is still illegal. Only when this law is suspended first can the group be welcomed.

However, if this law is suspended it means that — I do not mean the leaders but the entire group because the entire groups comprises the leaders and the group — the leaders, who have committed genocide, this is against national and international laws [sentence as printed]. Anything else, that is the group, is against only national laws.

[REAKSMEI KAMPUCHEA] So, in your view, the Khmer Rouge leaders have to be tried; they cannot be exonerated through their defection?

[Loy Simchheang] As you have asked me, if defectors want to return to the fold, first the law has to be temporarily suspended in order to welcome them. If this law is temporarily suspended, it does not mean that only the defectors are welcomed; those in the jungle are also welcomed because they are connected. This is about the group. As for those in the leadership accused of genocide, there are problems not only with national law but also international law. According to international law, once investigators have gathered sufficient documents, warrant arrests can be issued for those leaders no matter where they are. This is being done around the world. For example, if we suspend the national law, these leaders are still subject with international law. Furthermore, our national law also say that that genocidal crimes have no timeframe.

[REAKSMEI KAMPUCHEA] According to what you said, in order to welcome the Khmer Rouge group the legislation that outlawed the group has to be suspended?

[Loy Simchheang] Correct. This law has to be suspended first. However, if only one segment of the group defected, the group that remains in the jungle is also exonerated. This is the situation in legal terms.

[REAKSMEI KAMPUCHEA] What if the Royal Government asked for this suspension?

[Loy Simchheang] Let's discuss it. There are advantages and disadvantages, as I told you just now.

[REAKSMEI KAMPUCHEA] What about granting positions to the Khmer Rouge in the Royal Government?

[Loy Simchheang] If they surrendered! [exclamation mark as printed]. This is why at the beginning I said it should be studied whether the Khmer Rouge came forward to surrender or to join within the framework of national reconciliation. If they surrendered, we welcome and give them positions ... [ellipsis as printed] but they cannot set up political parties. If they came forward as part of the national reconciliation, this is their framework and we cannot interfere with it. Therefore, it has to be established whether they came forward to surrender or to reconcile the nation. Officially, this is not yet clear so far.

[REAKSMEI KAMPUCHEA] What about the stance of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] toward Khmer Rouge leaders?

[Loy Simchheang] FUNCINPEC stance is that it cannot accept those involved in genocide.

[REAKSMEI KAMPUCHEA] On Saturday 17th Prince Krompreah Norodom Ranariddh met with Samdech Hun Sen. Do you know what was discussed at the meeting?

[Loy Simchheang] I knew they met but do not know what they discussed because there were only the two of them. I am not aware of the essence of the meeting.

Cambodia: Paper Says Khmer Rouge Concerned About Food, Reception

BK2308045696 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 23 Aug 96 pp 1, 2

[Report by Peyatro]

[FBIS Summary] In this 350-word report the author says that "two concerns are on the minds of breakaway Khmer Rouge families: first, the prospect of facing food shortages because of the closure of the Cambodian-Thai border; and second, the type of reception they will receive since the fate of their leader Ieng Sary has not yet been accepted by some politicians in power in the Royal Government."

The report also cites a high-ranking government official — a former Khmer Rouge leader who has joined the government — as telling reporters that "Khmer Rouge families along the border are concerned about food shortages because of the closure of border passes through which they used to get their supplies; their family stock of supplies will last only for 15 days. They hope to receive supplies from the government and appeal to the latter to hold talks with the Thai authorities about reopening the border passes."

In a related event, the author says that "Divisions 948, 320, 531, and 705 under the command of Multidivision 205 issued a declaration dated 20 August supporting the declarations made on 15 August, one by Ieng Sary and another by Ieng Sary, I Chhien, and Sok Pheap. This Multidivision 205 is reported to have about 3,500 soldiers and nearly 20,000 people. This declaration talks about the breakaway from away from Commander in chief Pol Pot codenamed 99 and the joining with Division 415 and 450. It is signed by Rom, Put, and Bin."

According to this report, another source says that "Prum Su, leader of Division 519, who is the uncle of General Nhoek Bunchhai, deputy chief of staff of the Khmer Royal Armed Forces, has also agreed to break away from Khmer Rouge hardliners to join the breakaway forces led by Pheap and Chhien."

Cambodia: King To Consider Ieng Sary' Amnesty If Asked

BK2308064696 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 23 Aug 96

[FBIS Translated Text] His Majesty King Norodom Sihanouk of the Kingdom of Cambodia said that he would consider an amnesty for repentant Khmer Rouge Leader Ieng Sary if he was asked by the government and national assembly.

In his first comment on the recent breakaway of the Khmer Rouge group, the king said that he still supported the setting up of an international tribunal to try the Khmer Rouge leaders, including Ieng Sary, for committing crimes against humanity.

While the Khmer Rouge leaders were in power from 1975-78, at least two million Cambodians were killed by the Khmer Rouge, starvation, and illnesses.

His majesty added that only the Cambodian people had the right to tell him whether the Khmer Rouge should or should not be pardoned.

Cambodia: Khmer Rouge Radio Claims Ieng Sary Half Paralyzed

BK2308012096 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 22 Aug 96

[FBIS Translated Excerpt] Reliable sources say that the traitor Ieng Sary, alias Van, is ill and is getting worse. Half of his body is now paralyzed. He cannot walk; he is moved around in a wheelchair. Please be informed that a few months ago, this traitor had operations on both eyes. This was followed by a open heart surgery. He had not yet fully recovered when communist Vietnam and the villainous alliance — who have been dealt serious blows and are completely at an impasse in the 18th dry season and the three months of this rainy season — dragged this traitor out to instigate people in Malai and Pailin.

However, soon after he showed his face, his treacherous activities to betray the nation, the leadership, troops and their families, were exposed. He immediately fled in panic. Since then, his heart problems have returned and he quickly became half paralyzed.

Reliable sources say that when Chhien, Pheap, and Van's son met with communist Vietnam's puppets a few days ago, the traitor Ieng Sary was ordered to show his face briefly before being pushed into a car and whisked away.

[Passage omitted]

Indonesia

Indonesian Minister: 'No Problem' if U.S. Cancels F-16 Sale

BK2308084596 Jakarta MEDIA INDONESIA in Indonesian 23 Aug 96

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Jakarta (MEDIA) — B.J. Habibie, minister of state for research and technology, says there will be no problem if the U.S. Government cancels the sale of F-16 jet fighters to Indonesia, because it is the United States which "insisted" on offering the aircraft to the Indonesian Government at a low price.

"Even if the United States did not cancel the sale, Indonesia would still have to consider the availability of funds for the aircraft themselves as well as their costly operation and maintenance," Habibie said in reply to questions from MEDIA INDONESIA after attending a meeting at the House of Representatives yesterday.

THE NEW YORK TIMES reported on Wednesday (21 August) that the U.S. had reconsidered the sale of nine

F-16's worth at U.S. $200 million in the wake of the 27 July riots in Jakarta.

A final agreement on the sale of the F-16's was reached in Jakarta when U.S. Secretary of State Warren Christopher attended the meeting between the ASEAN foreign ministers and their dialogue partners in July.

According to Habibie, the Indonesian Government will buy the aircraft only if it obtains sufficient funds. "The purchase of the aircraft is not part of the original plan. I thinks there are no funds for the purchase. Thus, it is normal for us to consider the purchase on the basis of the availability of funds," the minister of state for research and technology said, adding that he had not received information on efforts to obtain funds for the purchase.

According to Habibie, there is no great urgency to buy the aircraft. "I don't see any external threat. We are interested in them because of their competitive price. Nevertheless, an aircraft will not be simply parked inside a hanggar. We will need personnel and funds for maintenance and refueling. We should not allow it to become a waste."

Touching on signs of the possible cancellation of their sale due to the 27 July incident, Habibie said that it was their (U.S.) problem. "We will only treat the matter officially. The United States strongly hopes that Indonesia will be able to buy the F-16's at a much lower price. Nevertheless, we will consider the purchase on the basis of the availability of funds," he stated. [passage omitted]

Indonesian Parliament Said Not Pushing Peoples' Desires

96SE0105A Jakarta SUARA PEMBARUAN in Indonesian 24 Jul 96 p 13

[FBIS Translated Text] [Text] The many criticisms hurled at members of the People's Representative Council (DPR)' because it is believed that they do not push for the peoples' interests and are not outspoken enough, basically reflect the hope that members of the legislative organization should really act in their position as representatives of the people. The criticisms based on those hopes are being hurled more and more at the present time when the sociopolitical organizations participating in the general elections are drawing up lists of candidates for the legislature for the 1997 general elections. That is the opinion stated by DPR members Oka Mahendra, SH [Master of Laws] and Marcel Beding in a discussion of the ideal qualities of a DPR member which appeared in PEMBARUAN recently.

In fact, the General Chairman of Depinas [National Executive Committee] of Soksi [All-Indonesia Employees Organization] Suhardiman touched on this issue at Soksi's Third National Convention in Jakarta on Monday. The members of the DPR, said Suhardiman, must see that the legislative organization is in the public interest and is not an organization for seeking personal gain. "If that hope can be realized, the view that members of the DPR only come in, sign in, sit down, are quiet and get money will disappear," he said explicating the image that members of the DPR have had up to now.

So what kind of a person do we hope for in a member of that body?

Oka Mahendra, member of the DPR from the FKP [Functional Groups Development Faction], who has been a member of the DPR since 1971, said that the right person for membership in the DPR is certainly one who is appropriate to its functions. Oka said that the functions of a member of the DPR are: a legislative function, to make the laws together with the government; a supervisory function; a recruitment function, to suggest people to fill certain positions; and bridging the gap between the people and the government.

These four functions demand that a member of the DPR have a particular kind of knowledge and character, and in fact a higher level of education. As a matter of fact, according to the provisions in effect now a member of the DPR only has to have graduated from SLTP [Junior High School].

Oka went on to say that for the legislative function, for example, a member of the DPR must have a good political, legal and sociological outlook so that he can bring the desires of the people into the process of compiling the laws so that the goals of drawing up those laws are really achieved. In future developments, when more laws will be needed to regulate various matters, members of the council are needed who have even better capabilities. This is a challenge which must be faced in the development of the Indonesian legal system as a nation of laws.

Supervision

In its supervisory function, which is part of state and development management, according to this member of the DPR, council members who are capable of the art of management are also needed. This is also considered important because the supervisory aspects of the council are a reflection of democracy.

In order to implement this, what is needed is sufficient knowledge on the part of every member of the council, so that they do not lose an argument when they face the government.

It is hard to carry out those tasks if the members of the council do not know the issues.

In addition to the capabilities supported by broad knowledge, the member's courage is another factor in his supervisory function, but the correct procedures must be followed.

In fact, courage is needed to carry out reforms, especially to reform the procedures of the organization which hamper creativity, such as the DPR's rules of order which must be improved so that the council can become energetic again. In this connection, said Oka, the DPR actually has the right to regulate its own rules of order. However, for some reason it is hard to make the changes that make it possible to use those rights.

Problems of Resources

Concerning the recruitment function, Oka reminded us that the DPR has the right to submit a number of names for certain positions, such as for supreme judge. Therefore, members of the DPR and the MPR [People's Consultative Council], as organizations, including the factions within them, have the ability to plan the resources to be recruited for certain positions. However, the problem facing the DPR has been the problem of resources, such as the difficulty of having a corps of experts who can aid the members of the DPR in their work.

In their fourth function, members of the DPR are asked to bridge the gap between the people and the government. This function must be opened up wide so that members of society can use their representatives to voice the interests of the nation.

According to Oka Mahendra, efforts must be made to reduce the impression that members of the DPR can only receive and voice their accusations. In this communicative function what the members must do is receive the desires of the people, articulate them, aggregate them, and then fight for them to become political decisions binding on all the people. Oka denied that the only function of the DPR is to receive and channel the desires the people. The right thing, said this senior member of the council, is to fight for them. "Because that is the true essence of democracy."

There's Been Some Improvement

The problem now is whether members of the council can be found who really have the exact character and abilities needed. DPR Member from the FPDI [Indonesian Democracy Party Faction] Marcel Beding seems rather pessimistic because the sociopolitical organization's system of recruitment does not yet provide good opportunities for that.

Marcel said that what is most striking about the sociopolitical organizations which take part in the general elections and which compile the list of candidates for legislative office is that they tend to think about how many people from the various factions can get into that sociopolitical organization.

He gave as an example that the matter of which faction within a political party a person belongs to, rather than the abilities of that person, still has very strong influence on the compilation of the list of candidates for the legislature. This is the obstacle.

Nevertheless, it seems that there have been recent efforts to put up candidates who really have the ability to be the members of the council that we hope for, for example by recruiting people who have expertise and knowledge in a certain field, even those who have a masters degree or a doctorate or who are professors.

Oka Mahendra himself believes that that is the ideal kind of member. There has been a recent tendency for the quality of council members to become better and better from term of office to term of office, as least from the point of view of educational background.

But what we really need is management by the sociopolitical organizations on how to put together the members of the DPR from the various sociopolitical organizations to form a good team within the factions in the DPR with the mix of abilities needed for the tasks and functions of the DPR. That's what the sociopolitical organizations are beginning to think about, and it is hoped that it can be realized for the members of the DPR elected in the upcoming 1997 general elections.

Above all, the biggest hope is that the members of the council called the People's Representative Council will be the representatives of the people and act in the interests of the people. And this is what was said by Suhardiman, a member who has turned the DPR into a fighting organization.

Indonesia: PRD Announces Its Establishment in Jakarta 22 Jul

BK2308033796 (Internet) INDONESIA Listserv in Indonesian 22 Jul 96

[FBIS Translated Text] Jakarta, 22 July — The Democratic People's Party [PRD] declared its establishment at the office of the Indonesian Legal Aid Assistance Foundation [YLBHI] in Jakarta today. The ceremony to announce the establishment of the party began at 1600 and was attended by about 300 supporters and those invited for the occasion. Pro-demorcacy fighters present at the ceremony included Sri Bintang Pamungkas (Indonesian Democratic Union Party, PUDI), HCJ Princen (Human Rights Institute), Gunawan Mohamed (chairman of the Independent Election Monitoring Committee), Pramudya Ananta Tur (novelist), Yusuf Ishak and Hasyim Rakhman (Hasta Mitra publication house), Permadi (Indonesian Democratic Party), Bambang Wijoyanto (YLBHI chairman), Beathor Suryadi (PUDI) and dozens of nongovernmental organization and human rights activists. Also present were several pro-independence youths from East Timor and West Papua youths grouped in the Irian Jaya Youth- Student Communications Forum.

The ceremony was also attended by dozens of local and foreign journalists invited to cover the PRD establishment.

The ceremony also included a session to confer the "PRD Awards" to several pro-democracy fighters, namely Megawati Sukarnoputri, Abdurakhman Wahid, Pramudya Ananta Tur, Sri Bintang Pamungkas, Dr. Thomas Wanggai, Xanana Gusmao, TEMPO magazine publisher Gunawan Mohamed, Hasta Mitra publisher Hasyim Rakhman, and George J. Adicondro.

The ceremony began with a political speech by PRD Chairman Budiman Sujatmiko entitled: "Let us fly the democratic banner". In his short speech, he talked about national leadership succession, ABRI [Armed Forces of the Republic of Indonesia] dual function role, five Laws on Political Parties, the 1997 general elections, referendum for East Timor, and nomination of Megawati as presidential candidate. After that, PRD Secretary General Petrus Hariyanto read the PRD political manifesto, which covers topics such as PRD work program including its strategy and tactics, ABRI dual function rolw, five Laws on Political Parties, 1997 general elections, and referendum for East Timor.

The ceremony continued with a choir singing songs such as "PRD March" and "Struggle blood", followed by poet Wiji Thukul reading his poems such as "Poetic voice" and "Celebration".

This was followed by a session to confer the PRD Awards. As Abdurakhman Wahid, George J. Adicondro, and Megawati Sukarnoputri were not present, the plaques were presented to their representatives. When Pramudya Ananta Tur received the plaque, he said: "I felt nothing when foreigners gave me awards, but now I am happy to receive an award from fellow Indonesians." In his speech to receive the award, Hasyim Rakhman said that Hasta Mitra publication house will continue to work for democratic culture. The award for [jailed East Timor leader] Xanana Gusmao was received by an East Timor youth, who read a statement issued by CNRM [National Council of Maubere Resistance], saying: "We Maubere people are very impressed with the struggle waged by the PRD that has always fought alongside ordinary people to improve their lives, which are constantly oppressed by the New Order regime."

In his speech to receive the award, Gunawan Mohamed said that "PRD should also receive an award for its struggle to promote democracy." Sri Bintang Pamungkas said in his speech that: "PUDI will boycott the 1997 elections, rejects the nomination of Suharto as presidential candidate, calls for an end to militarism and economic system which oppresses people. The last award, namely for the late Dr. Thomas Wanggai [Irian Jaya rebel leader who died in Jakarta prison], was received by a representative from the Irian Jaya Youth-Student Communications Forum.

After the award-conferring session, PRD officials held a brief press conference before ending the ceremony.

Indonesia: PRD Issues Political Manifesto 22 Jul

BK2208153396 (Internet) INDONESIA Listserv in Indonesian 22 Jul 96

["Text" of Political Manifesto of Indonesia's Democratic People's Party issued in Jakarta on 22 July]

[FBIS Translated Text] There is no democracy in Indonesia. Democracy — in the sense of the people's sovereignty — is the fundamental principle and basis for a country's power. As long as people have not got their proper place in the political, economic, and cultural life of a nation and country, history shows that it will provide tools to people to safeguard their rights.

Under President Suharto for the past 30 years, the state has become an institution that suppresses and obstruct people's participation in the decisionmaking process of the national life. The executive branch has become too dominant — uncontrollable, oppressive — and exceeds the powers of the legislative and judicial branches.

The Indonesian people's history is in fact a?history of Indonesia's people's resolute struggle against all types of exploitation and oppression in their efforts to gain human dignity and peace. However, the New Order regime has caused a setback in the country's political life, when compared to the political life between 1950 and 1959. People's fundamental rights of political participation have been suppressed, restricted, and truncated with the introduction of the five Laws on Political Parties and the ABRI [Armed Forces of the Republic of Indonesia] dual function system. The essence of freedom — namely the freedom to choose, supervise, and decide the type of state endowed with the people's sovereignty — is fast disappearing in daily political life. The authorities have systematically dominated the political sphere through cruel, brutal, and unconstitutional means. The authorities do not tolerate differences of opinion and criticism. They also refuse to listen to people's aspirations. The civilian population's opposition to the authorities's stance has received response in the form of intimidation, terror, arrests, imprisonment, bullets, and even massacres. Newspapers, magazines, books, and other forms of tools to educate the population that are critical and dare to disagree with the authorities have been banned. Journalists who disagree with the government's one-way information flow have been jailed. Workers are oppressed economically, intimidated, terrorized, and even murdered. Farmers find it increasingly hard to defend their land and their right to farm. All these measures have been launched so as to maintain the inflow of foreign capital.

We are now witnessing the deepening gap between a handful of rich people and a majority of poor people. Workers are exploited and offered as cheap labor to attract foreign investments. Only a minority of Indonesians can benefit from the country's economy, which enjoys an annual growth rate of over 6 percent. Economic assets that are vital and important to the people have been privatized, while concessions for these assets are distributed or sold among close relatives or friends of those in power. Monopolistic and oligopolistic practices that impoverish people have received protection from those in power. People are suffering from increasing economic burden as corrupt officials and businessmen work together in collusion to enrich themselves and expand their businesses. Imperialist institutions like the IMF and World Bank never stop accelerating Indonesia's economy with new loans. This results in Indonesia's foreign debts's reaching the $100-billion mark. This means that we are now just behind Brazil and Mexico as the most debt-ridden countries in the world.

Indonesia's economic growth, which increasingly benefits a handful of capitalists and foreign investors, has made the national life more miserable and made it drift away from people's ideals of achieving a just and prosperous society.

After 30 years, eight months, and 22 days, the Indonesian people can no longer accept the New Order's rule in the economic, political, and cultural spheres. The proof lies in the fact that workers have begun to launch strikes at several industrial estates; farmers have begun their struggle to oppose eviction from lands; students have begun their protest rallies against militarism; intellectuals have begun opposing suppression of academic freedom; religious leaders have opposed military intervention; tribesmen in West Papua and Kalimantan have opposed exploitation by Jakarta companies; the Maubere people in East Timor continue to oppose military aggression and occupation by the New Order regime; and the Aceh and West Papua people have demanded their right of self-determination. The people's opposition has also increased in the form of mass actions launched by a cross section of society in which they have occupied the House of Representatives, stormed police stations and military headquarters, and had direct confrontation with military forces and distributed leaflets. The message is that people everywhere are dissatisfied and no longer want to live under the New Order regime. The economic, political, and cultural systems protected by the New Order regime's military guards are no longer capable of channeling people's aspirations, let alone providing solution to the problems faced by the regime's own people.

The present economic, political, and cultural system is bankrupt. It is time for all laws that restrict the people's activities, such as five laws on political life, to be revoked. It is also time for the military vanguard, which is under the protection of the dual functions of the Armed Forces of the Republic of Indonesia [ABRI], to be removed.

The laws have been used to justify government action in restricting the population's political rights. Political parties, as the mother of the people in carrying out political activities and as the womb of the people's sovereignty, must be immediately upheld. There has never been an honest and democratic general election that does not restrict the people's political activities and that reflects the modern people's rights. The composition of the House of Representatives [DPR]/People's Consultative Assembly [MPR] reflects a crime committed by the ruling clique, because it allows the ruling clique to defend its power. The ruling clique and the ABRI enjoy special rights because they are appointed by the president to sit in the DPR without having to stand in a general election. The law on mass organizations prohibits any political affiliation and obstructs the establishment of mass organizations. The law on referendums has never been implemented, to deal with such important subjects as amending the Constitution of 1945. The 1945 Constitution has become something sacred regardless of changes in the economic, political, and cultural situation in the world. The people will be sovereign if they can study, have opportunities, and are aware of their sovereignty and their political rights. The only way to achieve democracy is to revoke the five laws on political life issued in 1985.

The military, which live up to their own military nature and the military nature of the New Order regime, are interfering with aspects of the life of the civilians. They seem to be unaffected by the history of the enlightenment that occurred during the Middle Ages. The unarmed modern people must have full authority over the military and make the military the Great Mute (La Grande Muette in French). Political power should not come from the barrel of a gun. Accordingly, the people must abolish the ABRI's dual functions.

The government of General Suharto cannot escape international attention to internal repression because of the New Order regime's enslavement of the people into the world capitalist system. The fall of authoritarian regimes in Latin America, Africa, and Asia has taught the regime and democratic movements that there is no eternal authoritarian rule. Everything will definitely end. The international economic policy manifested in APEC, AFTA [ASEAN Free Trade Area], and NAFTA must have the anti-neocolonialist nature. International cooperation must take place on peaceful and humanitarian terms. Accordingly, the colonization of East Timor must be part of our program. We do not simply express our solidarity with the Maubere [official name of East Timor used by the Revolutionary Front for an Independent East Timor] people, or are against their right to self-determination and independence. Indonesia's democratic struggle will be imperfect or phoney if it is not linked to the Maubere people's demand for independence. The PRD avoids chauvinist nationalism and considers international brotherhood the main feature of the people's struggle.

The international integration of capital supported by governments that insult democracy must be resisted internationally. Accordingly, the PRD will actively support peaceful international action that is of a democratic nature and is against repression.

The struggle against the New Order regime is inseparable from the PRD's program. As a legal political party, the PRD has the right and obligation to take part in charting the government's course and using state power. The political castration of the people cannot be allowed to continue. The people's sovereignty under the present system should not be formally legitimized by the rulers, because the present rulers are unable to respect the people's active participation in supervising and criticizing them. Problems in the capitalist Indonesian society must be settled only through the people's wider political participation — through democracy. Various forces that may bring about political reform must, as soon as possible, close ranks and unite their programs to establish a people's democratic government.

A people's democratic government must chart a bright future for the Indonesian people and provide a way out from their economic, political, and social problems, which were filled with dead bodies and blood for 30 years, 8 months, and 20 days. We must seek driving forces among the people to realize a democratic society. Strategy and tactics must be appropriately formulated on the basis of existing potential forces among the people. Among the potential forces, workers will be the best possible basis of the democratic struggle. Their large numbers, loyalty, and strategic importance for the New Order's capitalist economy will make them a bastion of democracy now and in the future.

The second force consists of students and intellectuals, who are historically a decisive force. The group has become a pioneer in the political struggle against the New Order regime. Their ideological, organizational, and political strength will be an important contribution to the democratic movement. Adventurism can only be minimized if students are integrated into a people's democratic movement.

The third force that is arising consists of the urban poor. Their large numbers and the fact that they have been sidelined after being drawn to the cities, and the unbalanced development of urban and rural areas, have made the sector a buffer in the urban masses. The sector militantly and fanatically defended its rights during pro-Megawati demonstrations. The last group, which is also important, consists of farmers. Brutal capitalism has impoverished farmers, as they have lost land as a means of production. It would not be surprising if farmers, who are scattered throughout Indonesia, become important supporters of the democratic movement.

A common platform that can induce cohesive actions and reactions has to be created to unite and mobilize the existing democratic forces. Common programs and methods do not suffice, to carry out cohesive actions and reactions. Such programs and methods should be accompanied by skills in interpreting the political moment that can bring about broad participation by the people. In view of this, the population should respond and look forward to the general election to be held in 1997.

The general election is a moment when the masses' attention is focused on the political arena. A large group of people is mobilized by the candidates. A democratic movement should build up the masses' awareness so as to contribute to the efforts to increase the people's awareness of the New Order authorities' political system. We cannot ignore the masses' awareness. We should not complicate things for them. The Independent Election Monitoring Committee [KIPP] is a tool to oppose the general election. The KIPP has become popular among the masses and is inseparable from the political conditions, which will continue to change from day to day. For this reason, it is hoped that the KIPP will be able to make the people aware of their false aspirations and launch a propaganda campaign of agitation, so as to educate and influence the population, to make them understand that a general election should be linked with the people's sovereignty.

The people's sovereignty remains linked to the five laws on political parties and the ABRI's dual functions system issued in 1985. Thus, the KIPP is making progress towards protecting the people's sovereignty. The KIPP is not just a tool for monitoring the process of general elections, from election registration committees to the counting of votes. It is also for noting to what extent the people's sovereignty is upheld, as a foundation for the validity of the general election.

An urgent measure that should be taken is to establish a united front based on a common platform, in order to achieve the strategic targets aimed at upholding the people's sovereignty — such as the withdrawal of the five laws on political parties and the ABRI's dual functions. The front cannot be strengthened if it does not have the masses as its foundation. For this reason, the type of organizations that are eligible to be in the front should be political parties or mass organizations that are supported by the masses. A serious and genuine front should have programs, strategy/tactics, and slogans that are rooted in the masses. The front is a tool for mobilizing the masses, not a forum for campaigning about political issues. All this time, we have not understood what a political front was, and could not tell the difference between an action committee and a front. There is a need to establish a democratic front as soon as possible, to carry out future assignments. It is useless to maintain existing organizations if they cannot resolve strategic political issues in facing the authoritative rule of the New Order regime. The PRD feels that a front that is based on funds from the masses should be set up. Until funds from the masses can be obtained, the front will stumble and waver when faced with a militaristic and arrogant government.

Thus, despite all the above-mentioned problems the Indonesian people are facing, we can still imagine a future society that is democratic economically, politically, and culturally. The PRD thinks that the main thing to be tackled first is to achieve political solutions to the maximum exploitation of Indonesia's economy by the capitalists. The PRD feels it is important, in the future, to build a modern civil society that respects the people's sovereignty and to mend democratic practices by adopting the threefold divisions of political authority truly and completely. The development of a true and complete democracy should be subordinate to the people's sovereignty. For this purpose, a coalition democratic people's government should be created in the future, to channel the people's participation on the basis of mutual respect for their respective idelogies and political instruments, peacefully, without force.

The development of a modern civil Indonesian society in which the people are sovereign will depend on how we build a democratic movement now. Strategic and tactical measures should be established now, beginning from the existing concrete conditions in the society. The PRD is confident, and believes, that the mobilization of the population is the only way to uphold the people's sovereignty. The establishment of the PRD is one of the manifestations of, and a response to, the frozen political instruments. The PRD seeks to improve the quality of the people's movement toward establishing a democratic multiparty society peacefully, without force.

Indonesia: ABRI Claims Development of East Timor Economy

96SE0105B Jakarta KOMPAS in Indonesian 25 Jul 96 p 9

FBIS Translated Text] [Text] The Commander of Military Region 164/Wira Dharma Colonel (Inf.) Mahidin Simbolon said that ABRI's [Republic of Indonesia Armed Forces] territorial operations in East Timor (Timtim) are part of the effort to raise the economic level of the populace and break the power of the Fretilin GPK (Peace-breaking Gangs). Through its territorial operations, ABRI, together with the people of Timor, have opened up isolated regions which had become breeding grounds for the Fretilin GKP.

Simbolon told this to the press on Wednesday (24 July) while inspecting model rice fields in Ainaro Regency, about 120 km south of Dili. Accompanied by Territorial Sector Head Lieut. Col. (Inf.) Suparji and by Commander of the Information Unit (DANSATGASPEN) Captain (Inf.) Triyoga Budi P, he inspected territorial operations and the 52d AMD [ABRI enters the villages] activities in Labarai, Suai Subregency, Kovalima Regency.

According to Simbolon, territorial operations will increase human resources. One of the obstacles facing the people of East Timor has been the problem of human resources.

"By means of these territorial operations, the local people can call on the experience of the territorial apparatus, which has the necessary skills in a variety of fields—agriculture, fisheries, animal husbandry, and so forth. By themselves the people know how to farm," said Simbolon.

In the meantime, the Ainaro Regent Norberto de Araujo told the press that territorial operations in his district have produced very satisfactory results. As an example he said that the opening up of three hectares of disused land by the territorial apparatus is evidence that ABRI and the people are really united. The disused land cultivated by ABRI together with the people will be used for rice, for dry-season crops and for raising fish.

The pastor of Ainaro parish Lambertus Diler Lagao Pr, who took part in the inspection of the model rice-fields, said that for as long as he has been a leader in the parish he has seen very good cooperation between ABRI, the government and the Church.

Former Members of Tropas

Meanwhile, hundreds of former members of Tropas, soldiers during Portuguese colonial times, have asked the Indonesian Government, through the local provincial government, to be hired as civil servants (PNS). The reason given is that they too fought for the process of integration into the Republic of Indonesia.

Joao Amaral, a former member of Tropas who was filling out a registration form in the office of the Timtim provincial government in Dili on Wednesday, said that only 280 out of the 695 former members of Tropas had been accepted.

Sources in the employment office of the Timtim provincial government said that former members of Tropas are appointed to PNS positions by a special investigatory team. The results of the investigations are legal and accurate. The criteria for appointing the former members of Tropas are based on Presidential Directive No. 65/1984.

The Chairman of the Dili branch of the National Committee for HAM [Human Rights] Alex Refialy, SH [Master of Laws] said in his office that former members of Tropas have been coming in almost every day since the Dili branch of the National Committee for HAM was established. "I can only tell them that BAKN [State Civil Service Administration Board] in Jakarta, and not the Timtim provincial government, is handling this," said Alex.

The Timtim provincial government, said Alex, accepted all applications submitted by former members of Tropas. After they were processed at BAKN, it turned out that not all of them were eligible to become PNS. Alex said that since the problem has been going on for so long, his office can only accept them and pass them along to the proper authorities.

In a separate statement, a member of the National Committee for HAM Clementino de Amaral said that his office told the former members of Tropas to become businessmen. "If they become civil servants, it will only be at the 1A level and that's why I proposed that they become businessmen. I offered each of them six head of cattle to raise. If they are willing, I will pass the suggestion along to the Timtim provincial government and to the central government," he said.

Indonesian Minister: Bureaucracy Hampering Trade Flow

96SE0108A Jakarta SUARA PEMBARUAN in Indonesian 6 Aug 96

[Received via Internet]

[FBIS Translated Text] Jakarta, 6 August—Dr Tunky Ariwibowo, minister of industry and trade, has said that the bureaucratic process in the field needs to be improved because the present process can have a negative impact on the smooth functioning of business and investment. One way of resolving this problem would be by improving management in the government sector.

The minister of industry and trade made this statement in answering reporters' questions in Jakarta on 5 August after witnessing the transfer of Certificate ISO 9002 by Doctor Moedjiono, the managing director of PT Sucofindo, to PT Mustika Ratu. The certificate was received directly by Mrs Mooeryati Soedibio, the president and director of PT Mustika Ratu.

The minister said: "The government is truly aware of its shortcomings. For that reason we will continue to try to improve government management."

Tunky admitted that up to the present bureaucratic processes have often developed which have unfavorably affected the government apparatus and the private sector.

In this connection he said that bureaucratic practices of this kind must be carefully investigated to determine whether it is necessary to involve the government apparatus in the private sector. If it is only a matter of processing one matter, he asked whether it would not be enough to have only one apparatus involved in handling the matter.

The minister stated: "This is what we are looking into now. This means that if it is not necessary to involve the government in something, why should it be involved? That can only result in higher costs for the economy."

According to Tunky, if it turns out that the government apparatus does not need to be involved in such bureaucratic practices, then this will reduce the cost structure. He said: "And in this way businessmen can improve their efficiency." A reporter asked: "Does that mean that our bureaucratic problems are now too complicated?" Tunky answered: "We admit that." He said that the reporters know that since the 1980's the government has made improvements in the situation through deregulation and reducing bureaucratic obstacles. He continued: "This means that for some years now we have begun to cut back the bureaucracy."

However, even that kind of action is not enough to improve the functioning of business firms. The business world must also really and actively use the market opportunities provided by the government. Both sides, both government and the business world, must support each other.

The minister said: "The government provides the opportunity, and the business world must skillfully make use of it."

In answer to a question about providing a "tax holiday" [preceding two words in English] to business firms Tunky said that in discussing this matter we must be careful to make sure that this idea is implemented in a just way.

Tunky said that he feared that if a "tax holiday" were provided without sufficient care and certain industrial sectors are given improper facilities, there will be injustices. He added: "We must be patient while the matter is investigated. Some companies might be given a tax break and others not given such a facility. They might feel that this is unjust. So we must be very careful."

In answer to another question he said that so far it has often happened that when we have started to implement deregulation in the field, the process has been blocked by bureaucratic procedures. He added that this is because there are still duplications of functions in the field.

He declared: "Indeed, there is still duplication in the field. In my department there are still chiefs of individual services at the central level of government and heads of regional offices in the provinces. The best solution would be to have both positions held by one person."

Answering another question about a reported shortage of information on actual investment within Indonesia, Tunky said that everyone has the right to express his views on the development process, and particularly on economic development.

In a reference to the chairman of the BKPM [Central Investment Coordination Board] Tunky said: "However, I will check again with Sanyoto about the truth of that report, because he said that things have been improving."

Normal

Meanwhile, Sanyoto Sastrowardoyo, minister of state and chairman of the BKPM, stated that the present investment climate has returned to normal. He made this statement after attending a meeting at the Department of Finance.

The indicator which he used for this statement was that applications for investments in Indonesia are continuing their upward trend, and there have been no meaningful complaints from investors.

According to Sanyoto, the decline in investment which has taken place at present should be looked at in a comprehensive way. This is because this situation cannot be separated from foreign influences which do not want to see Indonesia become one of the 10 largest economies in the world.

To clarify the status of the investment climate in Indonesia, the chairman of the BKPM and Hartarto, the coordinating minister for industry and trade, will undertake a "road show" [preceding two words in English] to several countries, including Japan, France, Great Britain, and the Netherlands.

On a separate occasion Coordinating Minister of Industry and Trade Hartarto said that the decline in the flow of investment must be considered from two aspects: administrative approval of the proposed investment and actual implementation of the investment project.

So far, he said, only about 40 percent of approved, domestic capital investment projects have been implemented, while about 50 percent of approved, foreign capital investment projects have been implemented. Meanwhile, of investment agreements for fiscal year 1995/1996 only about 48-50 percent have been implemented.

According to Hartarto, a factor in the relatively small amount of actual investment is, among other things, the problem of obtaining funds or the fact that investors requesting approval for investment projects have already invested their capital elsewhere.

Hartarto said: "To optimize the investment climate, the deregulation policy will continue to be followed."

Indonesian Economist Says Recent Unrest No Bearing on Economy

96SE0108B Jakarta SUARA PEMBARUAN in Indonesian 6 Aug 96

[Analysis by Christianto Wibisono; received via Internet]

[FBIS Translated Text] The events of 27 July caused a decline in the value of shares and in the IHSG [overall stock average] on the Jakarta Stock Exchange, as well as in the rate of exchange of the rupiah in terms of the U.S. dollar. A number of security experts and foreign fund managers have shrewdly expressed views in conflict with the "mainstream" of commentators who have "panicked" and have advocated "sell" positions on the stock exchange.

The view of the minority who advocate "buy" positions fits in precisely with the "maverick" outlook adopted by a number of stock exchange leaders such as Soros and William Buffet. They dare to go against the mainstream, and it is clear that over the long term those who follow their views will make money. This is because the mainstream, which is emotional and sentimental, is not considering the fundamental positions of companies which issue stock and the economy of the country as a whole.

A few days after the disturbances of 27 July President Suharto, in his speech at the official opening of the Korean-owned Lucky Goldstar TV picture tube factory, said that Indonesia continues to need foreign capital for economic development.

Speaking personally, in providing immediate answers to questions from the media and foreign investors, I have returned to the fundamental situation affecting the Indonesian economy. I have emphasized that the Indonesian political economy is an open market economy, with state intervention in the market mechanism within tolerable limits.

The Indonesian economy is favorable to foreign capital and continues to welcome foreign capital warmly. It is not against foreign capital. Indonesian politicians from all parties and groups who think in a healthy way and have statesmanlike views certainly will not turn the free market system of the Indonesian political economy into a form of statism or isolationism, such as that in Cuba and Burma. Indeed, both Cuba and Burma are actively inviting foreign capital to invest there.

For example, Cuba is inviting one time Spanish colonialists to build tourist facilities, and a network of Melia Sol hotels has already been opened in Cuba. In acting in this way, Fidel Castro cannot possibly be accused of defending statism and anti-foreign capital communism, individual property rights, or the role of the private sector. In the same way Burma is trying hard to change its image as a dictatorship, and the military junta controlling that country is busily campaigning to attract investors.

The governments in the Indian states dominated by the Communist Party of India have also become more moderate, like the government of the People's Republic of China. They are inviting foreign capital to become active in India. The Communist Party in the People's Republic of China is communist in name only. However, its economy follows free market standards with some controls exercised by the government, such as neoclassical, Keynesian standards.

No Need to Be Afraid

Therefore, there is no need to be afraid about the fundamental aspects of the Indonesian economy or to be overly concerned about demonstrations or incidents such as those which occurred on 27 July. This is because whoever becomes president of Indonesia cannot change the major lines and fundamental aspects of the open economy which is linked to and involved in the global economy. For that reason I always tell people who seek my advice that foreign investors have no need to fear, to be afraid of, or to be concerned about demonstrations or temporary disturbances which only last one or two days.

The recent disturbances had a psychological impact on stock prices. This could happen anywhere in the world when incidents like that occur. However, over the medium to long term the fundamental aspects of the Indonesian economy will recover and play a role in changing business calculations, foreign exchange rates, or stock prices which do not reflect its strong, basic aspects.

The fundamental aspects of the Indonesian economy are in a state of transition toward providing a larger role for the private sector and reducing the role of the state and state-owned enterprises. One state-owned enterprise which is moving toward adopting a corporate structure and privatization, as well as making an IPO [initial public offering] of its shares is the Bank Negara Indonesia [Indonesian State Bank—BNI].

The Indonesian Government has developed a policy for the liberalization and transformation of the Indonesian political economy, under which the government will act more often as a facilitator and regulator, while turning over its functions as an economic operator to the private sector.

In the future, the corporate sector, consisting of large-scale, economic enterprises, will go through amalgamations or mergers of public sector companies, replacing abstract bureaucracies. State-owned companies initially controlled and managed in a bureaucratic way will become more dynamic, with competition in the field and transparency in their financial structures. Family companies owning conglomerates, which were previously closed to outsiders, will open themselves up to public participation, because of the low cost of funds obtained from the open market, compared with bank interest rates.

The fundamental aspects of the Indonesian political economy, based on natural wealth and resources available in abundant quantities, have developed optimism for the long term. The World Bank forecasts that Indonesia will become the fifth largest economic power in the world by the year 2020. Investment in Indonesia now will ensure that investors will enjoy "capital gains" and rates of return which are far higher, compared to those who invest in OECD [Organization for Economic Cooperation and Development] countries. These are developed countries, but their growth rate is also slower, by comparison with Indonesia and other countries of Asia and the Pacific.

In the context of continuing liberalization, the Indonesian Government will offer to the public a portion of the shares of the Bank Negara Indonesia, a state-owned enterprise established on 5 July 1946 as a bank supporting the struggle for independence. It has a strategic function in developing national economic power. In view of the 27 July incident will this plan for a public offering of BNI stock have to be rescheduled or postponed, or will a more favorable time have to be sought? How about Moody's rating (D+) of the BNI, which is not so satisfactory? Will this influence market intentions?

Moody's rating is considered more conservative, compared to the Standard & Poor rating. The Indonesian Government has also recently contacted Standard & Poor to give its technical help to PT Pefindo. Although Moody's rating of the BNI is only D+, the BNI still has a better rating than Indonesian private banks.

'Positive Asset'

Over the medium to long term the role of the state as a shareholder can still be a "positive asset" which ensures that the BNI cannot go bankrupt because the government will certainly intervene in its affairs, if necessary. After the initial public offering of BNI stock is made, those bureaucratic elements which always or too often have stood idly by or interfered with professional management to an excessive extent will have to be disciplined and required to resume their proper positions in the bureaucratic hierarchy. The highest authority of a company, the annual stockholders' meeting, is not made up of bureaucrats. It is not affected by practical, political considerations involving collusion, nepotism, and inefficiency, which are in conflict with the mission of the company. Thus, in a mutually supporting way the IPO will strengthen the capital structure of a company. It can act as the watchman of the interests of the "stakeholders" [preceding word in English] and the community as a whole, which is a much broader group than the abstract concept of the "shareholders" [preceding word in English] alone, such as the concept of the state in state owned enterprises at present.

In the context of the contest for status in terms of government assets, consideration must also be given to the fact that if the initial public offering of shares in the BNI is postponed, the BCA [Bank of Central Asia] will be able to race past the position of the BNI within one year. Assets of the BCA are now fourth largest among Indonesian state-owned banks, amounting to 26.6 trillion rupiahs. The BNI is the largest of the Indonesian state-owned banks, with assets of 32.1 trillion rupiahs.

The domestic capital image of the BNI, which was established at the beginning of the struggle for Indonesian independence, needs to be defended by rapid action against bureaucratic decisionmakers by implementing the initial public offering of BNI stock on schedule, beginning in the last quarter of 1996. Although there is the memory of the 27 July incident and its negative impact in the form of a decline in IHSG stock averages, the fundamental aspects of the Indonesian economy have not changed.

It is also true that the fundamental aspects of the BNI have not changed. It is a domestically owned bank which was established with the mission of being the strategic spearhead for the development of national economic power. Its image as the largest, domestically owned bank must be immediately supported with the mobilization of funds from the initial public offering of its stock.

This must be done before the situation is affected by other banks. The planned, initial public offering of BNI stock might stagnate and there might be "fear" of the impact of the 27 July incident. However, there are several foreign fund managers who are in the minority but who continue to be optimistic about the fundamental aspects of the Indonesian economy. They have advised potential investors to "buy," precisely at a time when many other people are dumping shares in a panic-stricken way on the Jakarta Stock Exchange.

I agree with the maverick, psychological style of Soros and Buffet. I emphasize in particular that the initial public offering of BNI stock must continue on schedule. This is because the fundamental aspects of the Indonesian political economy indicate that individual factors, or even any political party, cannot overturn the present system. The free market, with its attractive prospects and its pro-active, "open door policy" toward foreign capital and global interaction, is an "irreversible" fact. It cannot be reversed in favor of a policy of opposition to foreign capital. For example, Megawati [Sukarnoputri, leader of the Indonesian Democracy Party], Gus Dur, or anyone else who is dissatisfied with the present situation—none of them will take an anti-"mainstream," anti-open market, or anti-global liberalization position. This is because the Indonesian economy has now gone too far and is too involved with open, global, mutual interaction.

There is no other choice because no country can isolate itself in an autarchical way. Rather, countries must be simultaneously accommodating and competitive in an open, global market.

Whoever is president of Indonesia cannot free himself from the fundamental aspects of this political economy.

Philippines

Philippines: APEC Trade, Investment Liberalization Commitment in Place

BK2308104796 Manila BUSINESS WORLD in English 23 Aug 96

[Report by Paul N. Villegas — received via Internet]

[FBIS Transcribed Text] The country's commitments to the trade and investment liberalization thrust of the Asia-Pacific Economic Cooperation (APEC) forum are already under the current tariff policies being implemented by the government, Trade and Industry Undersecretary Edsel Custodio said.

Mr. Custodio's remarks were meant to dismiss the claims of critics that the government's commitments to APEC would adversely affect some highly sensitive sectors such as agriculture and services, resulting in job loss, among other things.

"We have always stressed that we have nothing more in excess of what we have given and nothing more than what we have done in our IAP (individual action plans) that is not under the tariff program and our commitment under the WTO (World Trade Organization)," he said.

Mr. Custodio is the APEC Philippines' delegation head to the ongoing Senior Officials Meeting (SOM) at the Davao Insular Hotel.

The country's APEC commitments are contained in the IAPs, which specifically spells out, among others, products whose tariff rates would be reduced down to as much as zero percent over a specific time frame.

These IAPs will then be collated to form the Manila Action Plan for APEC '96, which outlines the implementation of the group's economic blueprint for a freer trading environment.

APEC comprises Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, South Korea, Taiwan, Thailand and the United States.

Tariff Reform

The country's tariff reform program, as embodied in Executive Order (EO) Nos. 264 and 288, calls for the reduction of duties of up to three percent for raw materials and intermediate inputs, and up to 10 percent for finished products by the year 2003.

A uniform tariff rate of five percent will take effect by 2004 as part of the country's commitments under the Association of Southeast Asian Nations Free Trade Area.

EOs 313 and 470 also specify the reduction of tariffs for certain products under the General Agreement on Tariffs and Trade [GATT].

"By pushing for tariff reforms within APEC, the Philippines seeks to obtain recognition and credit for its ongoing reform program that it is implementing unilaterally," Mr. Custodio said.

He added these tariff measures were placed between the 1994 APEC summit in Bogor and now. "This is what we are putting on board our IAP," he said.

Mr. Custodio said even if the Philippines and other APEC members went beyond their GATT commitments, which are legally binding commitments, they've made sure there was enough room for flexibility.

Meanwhile, businessmen residing in APEC's member economies may be able to avail the proposed APEC Business Access Card or SmartCard early next year.

Ambassador Antonio Basilio, deputy chairperson of the APEC SOM in Davao, said the members were receptive to the proposal, although they requested a delay in its implementation because the technical and legal aspects of this project would still have to be threshed out by their respective countries.

"Some other economies, by November, will be in a position to announce that they will be prepared to have the system in place and therefore implement (the SmartCard)," he said.

Business Visa

The SmartCard will serve as the business executive's visa whenever he or she travels within the APEC countries.

An accreditation system in each APEC member will certify those who can avail of it, after which their names will be forwarded to the other APEC members.

In turn, these economies will determine if any of these business executives are facing any problems that would bar their entry to a particular APEC country.

The card's physical format is similar to that of a credit card, with the bearer's name, an expiry date and certification printed on it.

It allows card holders easier access to the immigration lanes, by swiping the card in card-reading machines, in all participating APEC economies.

"All the other APEC economies are studying this proposal because each of them have different immigration rules and visa requirements," Mr. Basilio said.

Australia, the main proponent of the SmartCard, is expected to jumpstart the card's implementation. Singapore, which has an existing no-visa policy, is expected to follow suit. Thailand and South Korea have also expressed interest on the project.

Japan, the U.S. and other APEC countries which imposes strict visa requirements because of illegal migration problems have expressed reservations over the SmartCard concept.

Mr. Basilio said these countries would still have to institute safeguards or enter into bilateral agreements to address immigration policy concerns.

In the case of the Philippines, which lacks the necessary technical know-how for the SmartCard, the government plans to make up for it by issuing instead a multi-year, multiple entry visa to legitimate business people.

Because of the difficulties that may arise in the SmartCard project, or an APEC-wide visa, the grouping may adopt instead the European Union's Schengen-type visa arrangement, which allows its holders to travel within those countries that are signatories to it.

The SmartCard concept is one of the measures being proposed to facilitate the mobility of business executives in the region.

Philippines: Malaysia's Anwar Assures More Investments in Mindanao

BK2308091596 Manila BUSINESS WORLD in English 23 Aug 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Malaysia has assured the Philippines of substantial increases in Malaysian investments in Mindanao once the Zone of Peace and Development (ZOPAD) and its implementing arm, the Southern Philippines Council for Peace and Development (SPCPD), are firmly established.

Visiting Malaysian Deputy Prime Minister Anwar Ibrahim met with President Ramos yesterday in Malacanang. He told the chief executive the final settlement of the conflict in Mindanao would open doors for more Malaysian investments in the south. "We consider this to be a major move not only to the settlement of hostilities in the Philippines, but also in the Asian region as a whole," said Mr. Ibrahim, who is being groomed to succeed Prime Minister Mahathir Mohamed. "I expect the whole region will focus their attention in working together in this process of national reconstruction...I would certainly appeal to Malaysian investors to come here and support Mindanao's economic recovery," he added.

The government has been courting its Muslim neighbors, particularly Malaysia, Indonesia and Brunei, to pour in capital in Mindanao and jump start its economy.

Thailand

Thailand: Easing of ASEAN Industrial Cooperation Rules Sought

BK2308075096 Bangkok BANGKOK POST (BUSINESS Supplement) in English 23 Aug 96 p 2

[Unattributed Report]

[FBIS Transcribed Text] Thailand is proposing that joint ventures with less than 30 percent Thai ownership should still be recognised as ASEAN Industrial Cooperation (ICO) projects if they involve smaller companies and produce products not previously made here.

The proposal comes from the Industry Ministry's international cooperation committee, which met yesterday.

ASEAN members have agreed that products from recognised industrial cooperation projects will be traded within ASEAN at duty rates of zero to 5 percent. The normal criteria for recognition include 30 percent ownership by shareholders of the host country.

The ASEAN members agreed the 30 percent rule could be waived but failed to agree on the conditions, leaving each host country to decide its own rule.

The proposed condition that smaller to medium-sized companies participate in the investment, and that the products be new to Thailand, would apply only-to Thai-based projects.

The ICO will replace older ASEAN arrangements such as Brand-to-Brand Complementation, which involves single companies sourcing components in several ASEAN countries, and the ASEAN Industrial Joint Venture Programme.

The earlier projects granted percentage cuts in regular duties, the value of these concessions now declining as tariffs fall under the ASEAN Free Trade Area programme.

Under ICO, import duties are fixed at 0-5 percent to prepare for the ASEAN Free Trade Area (AFTA)

When AFTA is completed for industrial products in 2003, the value of the new cooperation programme will also be eroded.

In addition, the committee proposed a solution to a complaint by Volvo (Thailand) Co against the Customs Department, over the latter's failure to reduce the import duty on air-conditioning equipment under the Brand-to-Brand Complementation agreement.

Customs claimed the equipment was not in the form of completely knocked-down (CKD) parts, and set the import duty at 60 percent. The Industry Ministry said the units were in CKD form and qualified for reductions under brand-to-brand complementation.

CKD parts imported from Thailand, Malaysia, Indonesia and the Philippines receive import duty reductions of 50 percent from the current 20 percent rate.

An Industry Ministry spokesman said the Customs Department would refund the difference between duties collected on the Volvo units and the amount the company should have paid — but only up to 1992. After that, the department ruled, duties should not be reduced because by then air-conditioners could be made in Thailand.

The committee rejected a bid by Toyota (Thailand) Co and MMC Sitthiphon Motors for tariff reductions for a parts exchange with the Philippines and Malaysia under Brand-to-Brand Complementation. It ruled that the parts in question, including link assemblies and power steering units, could be made in Thailand. Mitsubishi, which exchanges parts among Thailand, the Philippines and Malaysia, did receive approval for its proposal.

Meanwhile, a ministry source said Thailand would support Kellogg to acquire tariff reductions of 90 percent when exporting its breakfast cereal products to other ASEAN countries.

The committee agreed that when it establishes its plant in Thailand, Kellogg should get the same benefit as Nestle enjoys in the Philippines, because protection under the ASEAN Investment Joint Venture (AIJV) programme will have expired.

The Philippines is resisting such a move on the grounds that Thailand did not participate in AIJV from the beginning. The issue still needs to be settled by ASEAN economic officials.

Thailand: Ministry Plans To Set Up Division To Assist Investors

BK2308071596 Bangkok BANGKOK POST in English 23 Aug 96 p 3

[Unattributed Report]

[FBIS Transcribed Text] The Foreign Ministry will set up a special division to facilitate businessmen investing, or seeking to invest in Thailand, and assist local entrepreneurs wanting to invest abroad, Foreign Minister Amnuai Wirawan said yesterday.

He was speaking to representatives of eight foreign chambers of commerce — Canada, the US, Australia, France, Germany, Denmark, Japan and Belgium — who called on him at the ministry to urge him to help remove obstacles foreign investors face in Thailand.

The new division will come under the ministry's Economic Affairs Department.

Meanwhile, in a marked departure from the past the Customs Department from now on will charge duties based on the value of import-export invoices, Mr Amnuai said.

Thailand: Spokesman Says Premier Ready to Face Censure Debate

BK2308051596 Bangkok THE NATION in English 23 Aug 96 p A6

[Unattributed report]

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha has no plans to visit India on Sept 11, the date targeted for the beginning of the opposition's censure debate, the government spokesman said yesterday.

Somsak Pritsananthakun said, however, that the trip was set for Sept 18.

His comments came after rumours surfaced that Banhan had planned a trip to India to evade the opposition's no-confidence debate against him.

"I have checked the prime minister's itinerary and there is no indication that he has planned any trip on that date," Somsak said.

He said Banhan and the Cabinet will definitely be ready for the censure debate.

"The premier cannot duck a censure. In fact, it is quite the opposite, as he is keen to clear himself of all the accusations against him," he said. Even if the PM evades the censure, the no-confidence motion will not go away and will follow him, he said.

Thailand: Parliament on Constitution Drafting

BK2308050496 Bangkok THE NATION in English 23 Aug 96 pp A1, A6

[Report by Political Desk]

[FBIS Transcribed Text] Parliament voted yesterday to keep its influence in the future adoption of a new charter while accommodating a radical proposal to set up a Constitution-drafting "Assembly" that would exclude MPs and senators.

Under the compromise — agreed on after some hectic lobbying, and engineered by a patient, adroit and sometimes humorous Senate Speaker Michai Ruchuphan, Parliament will elect members of the drafting assembly and have the power to veto the latter's draft of a new Constitution. A veto means the draft would be decided in a public referendum.

Some opposition MPs described it as a government victory, saying giving such power to Parliament means politicians in power would still dominate the drafting of a new charter.

Parliament's decision means two versions of the charter amendment bill will be reviewed by the joint House-Senate committee that had vetted it. The panel, chaired by senator Chai-anan Samutawanit, will have to abide by the parliamentary guidelines and was given a week to finish the task so that the second reading of proposed amendment to Article 211 of the present Constitution can begin next Thursday.

The joint sitting of the House of Representatives and Senate voted to mix the two versions. The Chai-anan committee's version would have a new Constitution written by elected draftsmen, and sideline parliamentarians from the whole process, while the government-sponsored version would appoint a politically-dominated panel to draft a new Constitution and allow Parliament to play a major scrutinising role.

On the question of whether the constitutional drafting body should be an "assembly" or "committee", Parliament voted 476-20 to embrace Chai-anan's version.

On the composition of the assembly, 377 voted to have it comprise academics and public representatives. Only 49 voted for another formula that would have added parliamentarians .

On the number of assemblymen, an overwhelming 466 voted to let the Chai-anan committee decide.

When it came to the question of how the assemblymen should be selected, Parliament approved the government-sponsored version. A total of 151 voted for direct election, while 277 voted to give Parliament the power to elect them.

The government won out again on another crucial question: Should the constitutional draft hammered out by the assembly have to be approved by Parliament? There were 306 "yes" votes against 90.

However, Parliament gave an overwhelming vote to allowing a Parliament-rejected charter draft to be put to a public referendum.

The compromise was an anti-climax to months of wrangling, fierce lobbying and double-crossing. It also, for the first time, generated true optimism over political reform, a much-taunted election campaign pledge of Prime Minister Banhan Sinlapa-acha.

Now Banhan, heading a fragile government coalition, must bring out all his survival skills to ensure a success that would relieve him of some political pressure. Doing so requires excellent timing because a censure motion against him has been submitted by the opposition.

Marring a relatively smooth session yesterday, Democrats Aphisit Wetchachiwa and Alongkon Phonbut quit the Chai-anan committee after the voting ended, reasoning that they could not compromise their stand on the direct election of constitutional draft. They were replaced by Suphatra Matsadit and Witthaya Keaopharadai from the Democrat Party.

Chai-anan tried his best to bargain for a quicker resumption of the joint sitting. After a 15-minute break following the voting, he told Parliament his panel had come up with a formula on how Parliament could elect draftsmen. Michai rejected Chai-anan's suggestion that debate resume either immediately or today. There were also protests from government MPs that the Chai-anan committee was giving Parliament too little time to study its formula.

Under the system proposed by Chai-anan, an unlimited number of people could apply to become provincial representatives of the Constitution-drafting assembly. Then all applicants would come to Bangkok, select among themselves 228 "second-round" candidates. From this latter group, Parliament would finally choose 76 draftsmen.

A similar pattern was floated for academic representatives. An unlimited number of applicants would select 69 candidates, of whom 23 would be chosen by Parliament.

Government MPs immediately voiced disapproval, pointing at the possibility of political mobilisation and a major "migration" of provincial aspirants to Bangkok. "What if there are, say, 5,000 applicants from each major province? Where should we house them in Bangkok7 asked Social Action MP Wichian Khaokham. Banhan, taking a tough stance in defending his political reform agenda, attacked the Chai-anan committee's version as unrealistic, saying the direct election of draftsmen would just turn into another battleground of political parties. He called for a compromise "like China and Taiwan", and vowed to push for passage of a final version.

"Even if we can't finish it before Parliament goes into reces?, my government will seek to convene an extra parliamentary session to complete the job," he said.

Speaking after yesterday's session ended, Chai-anan said he believed a final compromise version would clear the second reading next Thursday and the final reading 15 days later.

But some government MPs reacted with dismay. Saying "the government has won", Democrat Suthep Thuaksuban said the compromise version was "worse than the government's own version" because Parliament, in other words the politicians in power, would still dictate the drafting assembly using "remote control".

Talking to reporters, Aphisit said Banhan lobbied hard and won senatorial support. "Today was supposed to be parliamentary business but there was blatant political interference," he said.

Thailand: Paper Questions Amnuai's Abilities Under Pressure

BK2308051796 Bangkok THE NATION in English 23 Aug 96 p A4

[Report by "The Regional Desk," entitled: "Difficult Duties in Delicate Times"]

[FBIS Transcribed Text] Being accorded the dual responsibilities of looking after Thailand's foreign and economic policies might not appear that daunting as far as Dr. Amnuai Wirawan is concerned.

And considering his qualifications, he is probably the most suitable candidate who will not have a difficult time fulfilling the twin tasks.

The only question is if he can deliver the goods, especially now that Thailand needs strong leadership to steer it out of a political and economic crisis and also to raise its diplomatic profile.

Many government officials have started to worry as to how long Deputy Prime Minister and Foreign Minister Amnuai will be able to handle the pressures that accompany such huge responsibilities.

Just the same, his appointment to both positions signifies the increasingly complimentary relationship between diplomacy and economic management.

As it stands, Amnuai and his 18-MP Nam Thai Party have not been that influential in the trouble-plagued Banhan government given the fact that they only hold five Cabinet posts.

After grudgingly accepting the post of foreign minister, following the departure of M.R. [Mom Ratchawong — royal title] Kasemsamoson Kasemsi, Amnuai has since become the busiest Cabinet member.

But then he has to handle foreign affairs without the assistance of a deputy foreign minister. Phalang Tham Party (PDP) MP Pracha Khunakasem resigned less than two months after being appointed to the position and shortly after the PDP pull out last week.

Close aides told THE NATION that Amnuai spends more time at the Foreign Ministry than at Government House, now that he is solely in charge of foreign affairs.

In addition to his responsibility of looking after Thailand's domestic and international economic affairs, he has to attend party meetings and activities.

"When there is a conflict in the schedule of meetings, activities and other functions, he alone will decide where to go," said one of his aides. But Amnuai reportedly tries to attend all functions.

Although Amnuai has said he could handle his dual functions with ease, other government officials in charge of economic affairs agree that his ability to excel has been affe?ted by his numerous responsibilities and domestic politics.

"Amnuai may have the capability to perform well on foreign and economic affairs but he was unable to push through with the projects he first embarked on since he had to proceed to other projects that awaited his decision and action," said an official at the Ministry of Commerce.

Since his appointment as foreign minister, Amnuai was gone on a series of trips abroad. He attended the annual meeting of ASEAN foreign ministers in July and went on an official visit to Burma earlier this month. He recently returned from a brief visit to Brunei where he attended Sultan Hassanal Bolkiah's daughter's wedding.

As such, he has had very little time to come up with new strategies and initiatives. "More often that not, he has less than a week to prepare for each foreign trip," said a Foreign Ministry official.

Amnuai was unable to attend a high-level APEC meeting in Christchurch, New Zealand, in mid-July as he had to represent the government as foreign minister during the celebrations marking the 50th anniversary of the Sultan of Brunei's accession to the throne. His place was taken by Deputy Commerce Minister Amnuai Yotsuk.

His appointment as foreign minister has been welcomed by ministry officials as he was no stranger to them. Amnuai worked closely with the ministry on APEC and GATT issues when he was deputy prime minister and prime minister's office minister during Anan Panyarachun's administrations.

The first forum that businessman-cum-politician Amnuai attended as Thailand's foreign minister was the first ministerial meeting of ASEAN and countries in the Mekong subregion, which was held in Kuala Lumpur in May.

An ASEAN source said Amnuai failed to push vigorously a Thai proposal to have ASEAN finance the second bridge across the Mekong River between Thailand and Laos. "In ASEAN, you must be very assertive in order to protect national interests," said the source, who requested anonymity. Last year, Thailand agreed to Malaysia's proposal to have ASEAN member states cooperate in the economic development of the riparian states, a move that was quickly criticised by many as giving others access to Thailand's own backyard. Amnuai, who was then only deputy prime minister, was not happy with the agreement but failed just the same as foreign minister to assert his views, if only to ensure unity in the regional grouping, the source said.

Nonetheless, some Foreign Ministry officials believe his role as deputy prime minister tasked with handling economic affairs will help him enormously in conducting the country's foreign policy. They cited his mission to Rangoon earlier this month where he attended the Third Thai-Burmese Joint Commission meeting. Amnuai claimed to have struck a preliminary agreement with Rangoon in ending the deadlock over the boundary issues, while at the same time bringing to the forefront the country's economic agenda to his counterparts.

An informed source at the Foreign Ministry said Amnuai had second thoughts on attending a crucial regional meeting in Kunming because of pressing domestic concerns, although he later changed his mind. The ministerial meeting on the Greater Mekong Subregional Economic Cooperation is crucial to Thailand's geo-political strategy in the Mekong subregion and could serve as another chance for Amnuai to defend Thailand's interests in this framework.

Political pundits said the Nam Thai Party chief should not even attempt to complain about his workload. Doing so will backfire on his troubled party where certain members are looking for an opportunity to rock the boat again and jockeying for Cabinet positions as well.

They also said he cannot seek assistance from other political parties because the post of foreign minister is not usually sought by Thai politicians, many of whom are bent only on recouping their political investments once elected.

In the final analysis, the present political situation might not give Amnuai the opportunity to prove that he is capable of doing well in both positions. Worse, he may not even be in a position to make a choice.

Thailand: Coalition Parties Urged To Listen to Public Opinion

BK2208045796 Bangkok THE NATION in English 22 Aug 96 p A4

[Editorial: "Coalition Parties To Decide PM's Future"]

[FBIS Transcribed Text] The submission of a long list of grievances by the opposition to the House speaker after having filed a no-confidence motion against the prime minister brings to a climax the prevailing political turmoil that has gripped the country for the past 12 months.

The opposition has charged that the present leadership is shameful and unethical, lacks vision, and has a tendency to resort to immoral practises.

In other words, Prime Minister Banhan Sinlapa-acha is unsuitable for the job. He has been a liability rather than an asset to the country and should step down.

Despite what the prime minister may say with regard to the perceived bias of the press toward him, the charges made by the opposition have attracted the public's attention and won their sympathy as well. Banhan's government might well be remembered as one that had to contend with an unprecedented number of political scandals. Two parties left the coalition, although both returned after a short while. One of them left again recently and vowed not to return. Some coalition MPs and ministers have been caught in the bank and land scandals. One minister even spoke out publicly on the premier's loss of credibility.

Banhan may seem very much alone at this juncture but he is not without a few options as permitted by the prevailing political system. The coalition still has a majority with 209 seats. With the shadow of another election looming large, Chat Thai Party MPs, including those in the Thoet Thai faction, could vote to support him after last minute political horse-trading is conducted.

Politically speaking, the premier's position hangs by a thread because of the rather loose support from the second largest coalition party, the New Aspiration Party (NAP), that is led by Gen. Chawalit Yongchaiyut. He has told party members at least five times to prepare for another election. Both the Prachakon Thai Party and Social Action Party support him because they have nowhere else to go. The Nam Thai Party will likely do what the NAP, its sister party, does.

The outcome of the no-confidence debate will depend largely on the evidence the opposition will re?eal in Parliament — whether personal or official in nature. But as long at it is factual and obtained legally, the coalition MPs would be left with no alternative but to raise their hands in support of the premier if they want to remain in power.

If not, the NAP, Nam Thai or the even the Thoet Thai faction will not be able to get what they want from the prime minister. Banhan has been pushed to a corner by the NAP on some issues, including the numerous telecom projects and the annual military reshuffle. Nam Thai wants better and credible people in the Cabinet. Thoet Thai wants protection on any legal action that might be taken against its leaders and the option for some of its members to get back into the Cabinet.

Most of these political demands can be traded. But the public is very much aware of what they are and know that most of them will not benefit the country, democracy or the economy. That is why the entire nation has come to a standstill as it awaits the outcome of this endless politicking. The stage is set as the premier prepares for the worst. He has traded political reform if only to prevent what could possibly be an ugly confrontation. He has not done anything on the order to transfer a senior police officer investigating a land scandal case that supposedly involves a senior Chat Thai member.

Banhan may think the charges are unfair and unfounded as he appeared unperturbed at a press conference on Tuesday. And yet, he doesn't seem to realise that his problems have accumulated as a result of in-fighting among the members of Chat Thai, revealing the ugly side of Thai politics. He has allowed them to spread and affect the country's economic, social and political stability. Not surprisingly, both the NAP and Nam Thai have turned a blind eye to this development and are willing to continue supporting him if only to ensure that their own vested interests are looked after. It is them, and not the prime minister, to whom the general public should turn to if they want to see changes for the better.

Thailand: Military Reshuffle List Goes to Chawalit 24 Aug

BK2308052596 Bangkok BANGKOK POST in English 23 Aug 96 p 1

[Report by Watsana Nanuam]

[FBIS Transcribed Text] Assistant Army Chief Gen. Thawan Sawaengphan agrees that Deputy Army Chief Gen. Chettha Thanacharo is more qualified to succeed Gen. Pramon Phalasin, according to a reliable source.

The source said the army chief had a private meeting with Gen. Thawan and Gen. Chettha on Wednesday afternoon after Supreme Commander Gen. Wirot Saengsanit was reported to have altered the army reshuffle list to nominate Gen. Thawan for the top army post.

The source quoted Gen. Pramon as saying he was not happy with the report, and that he told the two officers though both were equally qualified, he had to choose only one of them based on his own judgment.

Gen. Pramon added the main thing was to have one of the officers in the Army, not an outsider, fill the top post, otherwise there could be problems, the source said.

Gen. Pramon has reportedly nominated Gen. Chettha to succeed him.

The source said Gen. Thawan told Gen. Pramon he did not want the post and that Gen. Chettha was more suitable.

Gen. Thawan, who is also a senator, also said at Parliament Gen. Chettha was suitable to become new army chief.

But the general added he would not be able to do anything if Gen. Wirot insisted on nominating him.

Gen. Wirot, meanwhile, said he intended to forward the military reshuffle lists to Defence Minister Chawalit Yongchaiyut tomorrow.

"As supreme commander, I have the power to make changes to the lists. The defence minister, too, has the right to do so. On my part, before making any changes I will first consult the commanders of the armed forces," he said.

Air Force Chief ACM [Air Chief Marshal] M.R. [Mom Ratchawong — royal title] Siriphong Thongyai said yesterday he believed the air force list would not be altered since he had already discussed it with Gen. Chawalit, who raised no objection.

A high-level air force source said the latest development indicated Air Force Chief-of-Staff ACM Amon Neaomali would become new air force chief, Air Force Special Adviser ACM Sa-at Kangwon would be his deputy, Deputy Chief-of-Staff AM [Air Marshal] Thirasin Khampiyannon would be chief-of-staff and Armed Forces Deputy Chief-of-Staff ACM Somsak Wetsuwan would return to the Air Force as assistant chief.

The source said it was unlikely Air Force Chief Adviser ACM Samat Sotsathit, said to represent the old power clique of former air force chief ACM Kaset Rotchananin, would get the top post.

Vietnam

SRV: Cambodian Efforts To Solve Khmer Rouge Issue Viewed

BK2208144096 Hanoi Voice of Vietnam in English 1000 GMT 22 Aug 96

[Station commentary]

[FBIS Transcribed Text] Senior officers of the Cambodian Armed Forces have held talks with leaders of Khmer Rouge separatists near Pailin base early this week. The three-hour talks focused on a permanent cease-fire and the setting up a joint liaison group to supervise both military and civilian activities in areas occupied by the separatists. The talks also dealt with the government's permission for Ieng Sary, the head of the Khmer Rouge separatist force, to take part in the political arena in Cambodia.

Deputy Chief of the General Staff of the Cambodian Army Nhoek Bunchhai said that the first official talks was an opportunity for both sides to learn to stand with each other and therefore, no major agreements were reached. However, he said that the meeting was an act of reconciliation, (?designed to) [word or words indistinct] the progress, and the two sides believed they would settle all issues. The meeting was described as a turning point in the settlement of the Khmer Rouge issue, thus paving the way for future stability in Cambodia and Southeast Asia.

Military observers believed that the future of the Khmer Rouge, both on the front and within the society was not stable.

Speaking at a press conference after the talks, (Mit Ieng), a representative of Ieng Sary, said that the division in the Khmer Rouge faction was the outcome of disputes on policies which pushed the Khmer Rouge to the brink of internal arms clashes. (Mit Ieng) disclosed that Ieng Sary supported national reconciliation and an end to the fighting. This policy is strongly opposed by hardliners since 1992, especially Ta Mok, Son Senn, and Pol Pot. In 1992, the Khmer Rouge boycott against the U.N.-sponsored elections in Cambodia, deepened the confrontation between the Khmer Rouge itself. Nevertheless, members of the Cambodian Royal Government has not yet reached any agreements on the Ieng Sary issue.

Second Cambodian Prime Minister Hun Sen declared his readiness to forget the past and welcome Ieng Sary. While the first premier, Prince Ranariddh considers Ieng Sary as the Hitler in previous Germany and he should not be forgiven.

Public opinion held that the Cambodian Royal Government should work out reasonable solution to settle these disagreements in order to boost the national reconciliation process. This will help the country along the road of peace, stability, and prosperity. The trend would be in conformity with the aspiration and interest of not only Cambodian people but also its neighbors and the rest of the world.

SRV: Radio Comments on Defection of Khmer Rouge Leaders

BK2308035996 Hanoi Voice of Vietnam in English 1000 GMT 13 Aug 96

[Station commentary]

[FBIS Transcribed Text] World attention has greeted the latest news of the defection of Khmer Rouge commanders in a daze. Here is our radio comment:

Cambodia's Second Prime Minister Hun Sen last Thursday announced the defection of the commanders of the Khmer Rouge division 450 and 415 Sok Pheap and Mit

Chhien with as many as 3,000 of their men. He also said that several other senior leaders of the Khmer Rouge had also defected to the government side.

Government officials of the ministries of defense, interior, and finance have gone to Phnum Malai and Pailin bases to put them under the control of the National Civil Administration.

According to the News Agency AFP, Ieng Sary defected from the Khmer Rouge on 5 August. It was in Bangkok. Meanwhile Khmer Rouge radio calls for the arrest and extradition of Ieng Sary and another two commanders. AFP reported Mr. Hun Sen as saying that there was fighting between defectors and troops loyal to the hardliners of Khmer Rouge.

Currently, division 519 with 300 troops under the command of Ta Suy based 60 kilometers northeast of Phnum Malai was moving toward the base. It was possible this division might separate from the Khmer Rouge like divisions 450 and 415.

Meanwhile, in an interview with a Thai reporter, General Sok Pheap said his faction was led by Ieng Sary and it will set up a new political party to stand for election to be held in Cambodia in 1998. He also said that negotiations with the Cambodian Government has not yet taken place.

Obervers say the latest developments indicate a strong division in the ranks of the Khmer Rouge. The defection of 3,000 Khmer Rouge soldiers and the hand over of three important bases to the government show the balance has tipped over to the Phnom Penh government.

The Cambodian minister of information Ieng Muli said it was an important step leading to national reunification.

SRV: Defense Minister Receives Cambodian General

BK2208161496 Hanoi VNA in English
1519 GMT 22 Aug 96

[FBIS Transcribed Text] The chief of the general staff of Cambodia's Royal Army, General Ke Kimyan was received here today on separate occasions by Deputy Prime Minister Tran Duc Luong and Defense Minister Doan Khue.

General Ke Kimyan arrived in Hanoi yesterday at the head of a high-level military delegation from Phnom Penh.

The Vietnamese leaders hailed the Cambodian officers' visit as a new step forward in the development of relations between the people and armies of the two countries.

Briefing on his activities here, Ke Kimyan expressed his hope that this visit would help consolidate and boost the friendship and solidarity between the two countries' peoples and armies.

SRV: Do Muoi Receives Lao Vice President

BK2208161196 Hanoi VNA in English
1510 GMT 22 Aug 96

[FBIS Transcribed Text] Hanoi VNA August 22-Party General Secretary Do Muoi received here this afternoon the visiting Lao Vice President, Sisavat Keobounphan.

General Secretary Do Muoi was informed by the Lao vice president of the positive outcomes of his talks with Vice President Nguyen Thi Binh and Vietnamese relevant agencies. The Lao leader expressed his high appreciation of the success of the Eighth National Congress of the Communist Party of Vietnam and the achievements recorded by the Vietnamese people in their current renovation process.

He said he hoped that the visit would contribute to further fostering the cooperative and friendly relations between the two countries on the basis of time-honored fraternal relationship.

Welcoming the working visit by the Lao vice president, General Secretary Do Muoi reiterated that the Vietnamese people have constantly extended their warmest feeling and loyalty to the Lao people, launching a campaign to educate the young generation of Vietnam to treasure and foster the fine relationship between the two neighbor countries. He said he wanted to see closer bilateral cooperation and effective mutual assistance which, in his words, would help raise the position and image of both countries in the international arena, thus making worthy contributions to stability and development in the region and the world at large.

The Vietnamese party leader used the occasion to brief his guests on Vietnam's determination to realize the party's resolutions on national development.

SRV: New Border Gate Opens With Guangxi Province

BK2308084796 Hanoi VNA in English
0636 GMT 23 Aug 96

[FBIS Transcribed Text] The Tra Vinh-Long Bang border gate was opened to traffic on August 20 between the Tra Vinh district of Cao Bang province and China's Jingxi District of Guangxi Province. The opening of Tra Vinh-Long Bang border gate followed agreement by the Vietnamese and Chinese governments to facilitate commercial and cultural exchanges by the people on both sides of the border.

SRV: Three Men Sentenced for Revealing State Secrets

BK2208155896 Hanoi VNA in English 1507 GMT 22 Aug 96

[FBIS Transcribed Text] Hanoi VNA Aug. 22 — Three men were tried here today for revealing state secrets and were given sentences ranging from two years of prison to 15 months of suspended sentence.

The prison sentence was handed down to Le Van Quy, also known variously as Le Hong Ha, Le Quang Hoa, and Le Hong. Quy, a 70-year-old resident of Hoan Kiem district, Hanoi, was found guilty of illegal possession and dissemination of classified state documents.

The 12-month prison sentence was given to Nguyen Xuan Tu, also known as Ha Sy Phu, a 56-year-old resident of the town of Da Lat in Lam Dong province.

The case began on December 4 last year when Tu was arrested by the police in Hanoi for illegal possession of state documents classified as 'top secret' or 'secret'. Tu confessed to having got those copies from Nguyen Thanh Huyen, 65, who lives in Hanoi's Dong Da district.

Questioned by the police, Huyen, also called Nguyen Kien Giang, confessed he had obtained copies of the various documents from once source - Le Van Quy.

The court gave Huyen 15 months of suspended sentence.

SRV: Party Central Member Dinh Huu Khoa Dies of Heart Attack

BK2308035796 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 6 Aug 96

[FBIS Translated Text] The Central Committee of the Communist Party of Vietnam [CPV], the Office of the CPV Central Committee, the party committee of the Bloc One of Central Organs, and the family sorrowfully announce that Comrade Dinh Huu Khoa; born on 27 March 1940 at Thai Tan village of Nam Thanh district in Hai Hung province; member of the CPV Central Committee, deputy chief of the Office of the CPV Central Committee, and member of the party committee of the Bloc One of Central Organs; and recipient of the Anti-American for National Salvation Resistance Order Third Class died of a sudden heart attack at 1435 on 4 August 1996 despite of all efforts to save him by medical doctors and his family.

The memorial service is to be held from 0900 to 1130 on 8 August at the Funeral Home of No. 5, Tran Thanh Tong Street in Hanoi. The funeral service is to be held at 1300 on the same day at Mai Dich Cemetery of Hanoi.

SRV: Article Reviews Army's Party Building Work

BK2208155296 Hanoi QUAN DOI NHAN DAN in Vietnamese 15 Aug 96 p 2

[Article by Vu Thang:"The Party Building Task During the First Six Months of 1996: Achievements and Shortcomings"]

[FBIS Translated Text] After the party organization congresses at various levels and the Eighth National Party Congress, unity and unanimity in the Army has consistently been consolidated and the cadres and party members' sense of responsibility enhanced. Many units have made progress in their awareness of theories and practices especially in training, combat readiness, observance of discipline, and building of a standardized lifestyle.

Various units have actively formulated and compiled documents, fostered party committee echelons, held conferences to draw on experience, organized examinations for secretaries of party chapters and committees, and studied experience in building basic party organizations and mass societies in various combat, local military, and economic units....

The party building task has positively developed. In the first six months of this year, party organizations in the Army have admitted 5,917 new party members, an increase of 4.63 percent as compared to the corresponding period in 1995.

In the task of organizing Army working status, various echelons have paid special attention to building, perfecting, and developing the functions of various political organizations; fostering cadres of various sectors; formulating operational procedures on the basis of regulations nos. 72 and 73 of the party Central Committee and regulation no. 71 of the party Central Committee Military Commission. Echelons from the grass-roots to subordinate levels have set up the system on leadership status of party committees, clearly defining their function, duty, authority, leadership boundary, and relations in carrying out political task at units.

In training and maintaining combat readiness, various units have positively and satisfactorily enhanced capabilities of cadres in according to the division of responsibility. The content of the fostering program comprehensively focused on military, political, logistics, and technical areas. Political education attached importance to a thorough understanding of duty, building strong drive, enhancing political background, preventing and opposing schemes and tactics of the enemies, promoting and heightening vigilance and combat readiness, strengthening discipline, and creating a standardized lifestyle.

Phase one training this year proceeded favorably, thereby overcoming such phenomena as training for form sake, neglecting fundamental details, and passivity in drilling. This should be attributed to integrated leadership and good guidance provided by the commanding agencies in preparing the material-technical bases, parade and exercise grounds, teaching instruments and plans, and training programs.

In the process of formulating plans and activities, the political agencies of various echelons have paid special attention to guiding, leading, drawing upon experience, and strengthening activities of various units. Recently, the organization section of the General Political Department coordinated with the political department of the 3d Military Region to review and draw on experience from party building and political work in phase one training at the regimental and divisional levels; through which, a number of initial, yet concrete experiences, has been drawn for general guidances. By carrying out concrete tasks especially convening of party organization congresses at various levels, party committee echelons, organizations, and agencies have understood more profoundly the party building task, situation at units, and their capability in implementing tasks. They have also firmly grasped the principle of cadres, actively responded to guidance from higher echelons, and met requirements of units, thereby contributing to enhancing leadership capability and strengthening militancy at various party organizations.

Review of party building work in the first six months of the year in army units, however, still shows many weaknesses. Among the leading cadres of certain party organizations, the quality of leadership capability, the combative spirit, the observation of criticism and self-criticism, and the senses of vigilance and combat readiness on the front of politics and ideology are not very high, and competence in carrying out party and political tasks — especially among cadres in grassroots party organizations — is still rudimentary and not convincing.

The tasks of building grassroots party organizations into steadfast, pure units and of building a strong contingent of cadres, although they have been attended to with considerable effort, still show there is confusion in both the content and the methodology of the work. Coordination between different echelons and sectors has not been satisfactory, and so far we still do not have model patterns for coordination between units at the grassroots level.

In order to heighten the leadership competence of cadres in party and political work for the remaining months of this year, many army units have organized conferences to lay out plans for party building and development work, discuss ways to enhance the leadership competence and combative spirit of party organizations and party members, and coordinate party development work with the development of other political organizations. They have also discussed plans to implement the resolutions on party renovation and rectification work of the Eighth National Party Congress, the Party Central Committee's Third Plenum, and the Party Central Committee Military Commission.

While conducting a review of party congresses at various levels, as well as party and political work during the first training season of the year, army units should actively work out the contents and measures for party-building work and education and the training of the cadres contingent, with special attention to be paid to building steadfast party chapters in companies and party committees of various levels for the purpose of enabling the party organizations and party members to lead their units in carrying out successfully all assigned tasks in the new period.

Australia

Australia: PRC Minister Told Anderson 'Will Go' to Taiwin

BK2308034396 Melbourne Radio Australia in English 0100 GMT 23 Aug 96

[FBIS Transcribed Text] Australia's foreign miniser, Alexander Downer, has told China that a visit to Taiwan by an Australian minister next month will go ahead despite protests from Beijing.

The issue was raised in two hours of formal talks in Beijing last night between Mr. Downer and his Chinese counterpart, Qian Qichen. Beijing wants the proposed visit of Primary Industries Minister John Anderson cancelled, but Mr. Downer said that will not happen.

[Begin Downer recording] They have repeated the objections that they have made public over it repeated them to me and I have repeated our views which are well-known that we think Mr. Anderson ought to be able to go and that it does not compromise our one China policy and that it is a continuation of a position that the Australian governments have taken for a few years now. [end recording]

Mr. Qian also reiterated China's opposition to a visit to Australia by the Dalai Lama next month. Meanwhile, Mr. Downer has proposed that the two countries established a security dialogue in a bid to allay any concern in Beijing that Australia is attempting to contain China. The foreign minister said his claim was welcomed by Beijing.

Australian Foreign Minister: Endorsement of Nuclear Test Ban Sought

BK2308062796 Melbourne Radio Australia in English 0500 GMT 23 Aug 96

[FBIS Transcribed Text] Australian Foreign Affairs Minister Alexander Downer has officially announced that he will seek to have the Nuclear Test Ban Treaty endorsed by the United Nations. Australia has expressed deep disappointment and regret that India has blocked the text of the Comprehensive Test Ban Treaty, Graham Dobell reports. Mr. Downer announced th UN move in a statement issued from Beijing.

[Begin recording] [Dobell] Mr. Downer said the text of the treaty for a nuclear test ban is an historic achievement reflecting two and half years of intense multilateral negotiations. The Foreign Minister expressed deep disappointment at the failure to reach consensus in Geneva and regret at the Indian veto. Failure to close on the treaty will mean the loss of a comprehensive test ban for the forseeable future. This would represent a very serious setback for global nuclear disarmament. Mr Downer said Australia would work in New York to have the treaty text endorsed by the General Assembly and open for signature at the earliest possible date. [end recording]

Meanwhile the Australian foreign minister has started talks with Chinese Premier Li Peng aimed at resolving differences between the two countries. The meeting follows lengthy talks with his Chinese counterpart Qian Qichen which focused on two contentious events set to take place next month. The two irritants are a planned Australia visit by Tibet's Dalai Lama and a trip to Taiwan by the Primary Industries Minister John Anderson.

Australia Says Nuclear Treaty 'Must Not Die'

MS2308094296 London FINANCIAL TIMES in English 23 Aug 96 p 4

[Report by Frances Williams: "Australia to Lead N-Pact Rescue Effort"]

[FBIS Transcribed Text] Geneva — Australia yesterday declared its readiness to take the lead in international efforts to rescue a comprehensive test ban treaty (CTBT) following India's formal move earlier this week to veto the draft text in negotiations in Geneva.

Mr Richard Starr, Australia's ambassador to the Geneva-based United Nations disarmament conference, said his government would work with "friends of the CTBT" to take the draft pact directly to the United Nations General Assembly in New York. "The treaty text must not be allowed to die," he said.

Unlike the 61-member disarmament conference, which operates by consensus, the General Assembly can approve the pact by majority vote.

All five declared nuclear powers — the U.S., UK, Russia, China, and France — are backing the Australian move, but it is not clear whether they will become co-sponsors of the UN resolution. Mr Starr said the Canberra government had not yet taken a final decision of how to proceed.

However, the treaty's supporters hope to stick to the original timetable of having it endorsed and ready for signature by the General Assembly's 51st session, beginning on September 17.

Australia, with New Zealand and Mexico, sponsored last year's General Assembly resolution asking the disarmament conference to present a nuclear test ban treaty for signing next month.

The draft pact, the outcome of 31 months of negotiations in Geneva, would permanently outlaw all nuclear explosions, enshrining in international law the voluntary moritorium on testing now being observed by the five nuclear powers.

But on Tuesday, India blocked agreement to transmit the text to New York. New Delhi objects to the treaty because it does not contain a time-bound commitment by the nuclear powers to scrap their nuclear arsenals and because it requires ratification by India (and 43 other nations) in order to come into force.

Western nations regard these arguments as specious and many developing countries have also been dismayed by the Indian decision, widely seen as protecting the country's nuclear option rather than upholding a principled stance on disarmament. India tested a nuclear device in 1974.

Mr Starr said that in view of the "paralysis" in the disarmament conference the broader international community should be given the opportunity to endorse the treaty. He underlined that it would be submitted to the General Assembly for approval without amendment.

All five nuclear powers, in virtually identical language, yesterday repeated their support for the draft "as it is". "This is the text that can give us a treaty — no other," Mr Starr said.

Mr Stephen Ledogar, U.S. disarmament envoy, acknowledged there was a risk that countries would try to unpick the text in New York but said he thought there was "a very good chance of success".

Even without India's participation the treaty is seen as having moral dissuasive value. "The signature of this treaty by a credible number of states, including the five nuclear weapons states, will have an immediate impact on global behaviour," Mr Starr said.

Australia: Article Views Budget Allocation for Foreign Aid

BK2108042296 Sydney THE SYDNEY MORNING HERALD in English 21 Aug 96

[Article by Craig Shehan: "Shift of Focus to Shave $114m Off Bill" — Received via Internet]

[FBIS Transcribed Text] Australia's foreign aid for 1996-97 has been cut by 10 percent in real terms, or $114 million dollars on the 1995-96 level, to $1,450 million, with the Government maintaining it would be better focused on humanitarian assistance.

Countries having their aid cut include Indonesia, China, the Philippines, India, Pakistan and Thailand.

The cuts mean Australia's overseas aid will fall from 3.4 percent of gross national product to 2.7 percent, compared with a United Nations target of 0.7 percent.

The savings include $94 million in 1996-97 from the previously announced scrapping of a mixed grants and soft loans scheme to help Australian companies win foreign development contracts, the Development Import Finance Facility (DIFF).

Countries will be able to fund "high priority" DIFF projects still in the pipeline if they have a "clear humanitarian focus".

The overall cuts come from the ending of DIFF and a 4 percent cut in real terms to other programs.

The Minister for Foreign Affairs, Mr Downer, said the aid program reaffirmed the Government's commitment to Asia and the Pacific, emphasising basic education and women's health and keeping an election promise to maintain aid flows to Africa.

Other features of the aid program include:

Cuts to a number of international and regional organisations;

Maintenance of assistance to Papua New Guinea, with an emphasis in 1996-97 on restoring essential services to the civil war-plagued island of Bougainville;

Higher country program assistance to Indonesia, China and the Philippines to partially offset the scrapping of DIFF projects;

Aid levels to be maintained for Cambodia, Laos and Vietnam;

Funds for non-government groups involved in overseas aid increased, with the total exceeding $100 million;

Obligations to be met on multilateral development banks, the Food Aid Convention, the Montreal Protocol on Ozone Layer Protection and the Global Environment Facility;

Support for agricultural research programs maintained through funding for the Australian Centre for International Agricultural Research;

Support for refugee and relief activities cut, but by less than for the aid program overall;

For the first time, direct aid programs are to be negotiated with Mozambique, South Africa and Zimbabwe; and

The Department of Foreign Affairs and Trade to save $40.5 million in running expenses.

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